STATE OF CALIFORNIA

MEETING OF THE

CALIFORNIA INSPECTION & MAINTENANCE REVIEW COMMITTEE

Tuesday, November 28, 2006

California Air Resources Board

1001 I Street, Coastal Hearing Room, Second Floor

Sacramento, California

	MEMBERS PRESENT:
2	VICTOR WEISSER, Chairman
3	JUDITH LAMARE, Vice Chair
4	JEFFREY WILLIAMS
5	ROGER NICKEY
6	BRUCE HOTCHKISS
7	ELDON HEASTON
8	JOHN HISSERICH
9	GIDEON KRACOV
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11	MEMBERS ABSENT:
12	Al "SKIP" SOLORZANO
13	PAUL ARNEY
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15	ALSO PRESENT:
16	ROCKY CARLISLE, Executive Officer
17	STEVE GOULD, IMRC Consultant
18	JANET BAKER, Administrative Staff
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PROCEEDINGS

CHAIR WEISSER: Ladies and gentlemen, I'd like to call this meeting to order. Today is our November 28, 2006 meeting of the Inspection and Maintenance Review Committee and I want to welcome each and every one of you here. As our normal request, please put your cell phones onto the stun setting. We have a pretty full agenda today and some of you may be wondering why this amazingly beautiful bouquet of roses and lilies and other pretty flowers are up here. Ladies and gentlemen, this is to announce my engagement to our Vice Chair, Jude Lamare. No, as some of you know, this is my last meeting as Chair and a Member of the Inspection and Maintenance Review Committee and I want to thank the Members of the Committee for presenting me with this beautiful bouquet. I kind of really like flowers and this is a beauty. And I think the roses represent each of the whiplash marks that I have received along this journey. With that, what I'd like to do is to ask Committee Members to introduce themselves and we'll start from the far left.

MEMBER HISSERICH: John Hisserich.

MEMBER HEASTON: Eldon Heaston.

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MEMBER WILLIAMS: Jeffrey Williams.

MEMBER DECOTA: Dennis DeCota.

24 CHAIR WEISSER: I'm Vic Weisser, the Chair.

MEMBER LAMARE: Jude Lamare.

MEMBER KRACOV: Gideon Kracov.

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MEMBER HOTCHKISS: Bruce Hotchkiss.

MEMBER NICKEY: And out here on the far right, I'm Roger Nickey.

CHAIR WEISSER: The seating chart has finally been appropriately

arranged. I will mention the fact that Paul Arney,

unfortunately, will not be here, and neither will our newest

Member, Skip Solorzano, who wrote us a very nice email

describing why he is unable to join us. Skip is the new

Governor's appointment replacing long-time Committee Member,

Robert Pearman, who, I will just say for the record, I think

was a stalwart Committee Member. He always had his feet on

the ground. He asked questions that frankly I never thought

of and it's that sort of different thinking that emerges

among us because we're all such different people that I

think lends great strength to this Committee's efforts in

terms of attempting to meet our charge of providing an

independent review and recommendations on the Smog Check

Program. So I'm going to miss Robert and, unfortunately, I

will not meet Skip, though I understand he lives in my

neighborhood in Oakland, so maybe our paths will cross one

of these days.

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CHAIR WEISSER: The next order of business will be the approval of the minutes from the meeting of October $24^{\rm th}$. Committee Members, have you had an opportunity to review those

minutes? Are there any proposed suggestions? Then may I hear a motion to adopt the minutes? Mr. DeCota so moves, Ms. Lamare seconds. Are there any discussions? All in favor, please signify by saying aye.

ALL MEMBERS: Aye.

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CHAIR WEISSER: Any opposed? Hearing none, the minutes are adopted.

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CHAIR WEISSER: And we'll now turn to our fourth agenda item which is our Executive Officer's, Rocky Carlisle, report. MR. CARLISLE: Thank you, Mr. Chairman. Other than gathering data and working on this report, not a lot has been going on, but I will tell you that I attended a BAG meeting, the Bar Advisory Group meeting that's put on by the Bureau of Automotive Repair. I've attended several of them and the difference with this one was it was a give and take, instead of just give. In meetings past, the BAR disseminated a lot of information, but there was never any two-way communication, if you will. This one was a nice change. There was a lot of exchange with regard to a regulations package that was submitted in draft form. It hasn't been filed with OAL yet, but I'm told that it will be shortly. And I think I sent the Committee a copy of that draft regulations package. The other thing, we've been collecting a lot of data for Dr. Williams, I'm sure he's been busy

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crunching numbers. We've got a new DMV dataset, we've got some additional BAR 90 data from the Bureau of Automotive Repair and that was delivered. And I wanted to comment, too, with regard to the handout I gave you this morning that I have put in comments, there's a recap in the report of the comments we received from six entities and I've put the individual comments in Sections 4, 5, and 6 of this handout. And Section 7 is some correspondence received this month.

Pretty much, that concludes my report.

CHAIR WEISSER: And we'll go through that in detail when we get to the discussion of the report. Nothing to report in terms of the legislature, Rocky?

MR. CARLISLE: No, not to my knowledge.

CHAIR WEISSER: One of the things that you might want to inform the Committee at our next - at the Committee's next meeting is the make-up of the Committee's that - bills affecting the Smog Check Program. We'll go through - the Committee makeups will be announced by then and it might be helpful to Committee Members to know who the players are.

I'll get that information. MR. CARLISLE:

CHAIR WEISSER: Are there any questions or comments that any Committee Members have for Rocky? Hearing none, we'll go to our next item which is an update from Steve Gould regarding some issues that got a lot of email traffic over the past several weeks. Steve?

MR. GOULD: Apparently they did. Steve Gould speaking. I have written up a short paper for the Board on performance measures and incentives which is in addition to what I sent you before on email. But I want to reiterate a couple of the themes that I was discussing earlier. Number one, the number of fraudulent stations is certainly very large. I took after Chairman Weisser on his comment that there was just a few bad apples. I would only have done that because he's a lame duck, but -

CHAIR WEISSER: There is a price to be paid for that, you know, Steve.

MR. GOULD: But I do think that it's useful and accurate to think of the number of really fraudulent stations in the hundreds and I hazard to guess of at least 500. I think that it's pretty clear, given the data we got from Sierra Research last month, that there are awful lot of vehicles which appear to be clean-piped and we have to leave it up to Sierra to come to a conclusion on that because that's their data, but you really couldn't explain this large number of vehicles unless you have 500 or 1,000 stations that were regularly engaged in some fairly serious fraud. But the other thing that I want to mention is the statistic that I always got from the triggers programs that I ran during the 1990s, which was that we always found about - and I'm going

to give a visual chart here so you can see it; we always found about 10 or 11 percent of the stations came up with numbers that really looked fraudulent. Then you had 70 percent that were on straight line and 20 percent which looked very, very clean. Because of the nature of the triggers program, which was looking for bad stations, we never found out very much about the 70 percent or the 20 percent. But I think that 70 percent is relevant in the sense that it tells us that there are a lot of stations which may not be doing things exactly right. They may or may not be crooked. I joked with you that we found Rocky way in the good corner of the graph, but I would have to say that if Rocky had ever clean-piped his grandmother's car, we would have never seen it statistically. So we really don't know very much about that part of the graph, but I'm confident that based on what I used to see and so forth, that 500 is not a bad number, but I'm also concerned about the 70 percent of stations that maybe are sloppy or something like that, so that could be a problem. The second theme that I had discussed before was the notion that the licensing paradigm, which is used by the BAR really does not force stations to be the best that they can. Really about the only way you can take away a license is by catching the station in fraud. And there are some critics of the BAR who say the BAR is over-emphasizing fraud. But that's the only

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tool that they have. There is nothing like a contract process or performance standards for stations by which you can hold them fast and which create incentives for them to perform better. It's either all or nothing. You catch them at fraud or they go on and do what they do. And I think that that's not a very healthy situation for a clean air program which was trying to achieve maximum results. that's my criticism of the whole licensing paradigm. point out that in terms of technician licensing, federal law, the Equal Opportunities Act of 1965, requires that BAR do the technician licensing in the way that it does and so that's very strictly controlled and very well done as far as But station licensing is a different issue. third small theme is that station owners really do need to be given public reports on their station's performance, whether it's a financial performance, a failure-rate performance, anything else. We expect station managers to manage in the interest of clean air. That's our expectation. But are we good partners in that? Perhaps not. We simply have the data, but we don't give the stations the data. We don't alert the station owner that maybe he has a technician who isn't doing things quite right and so I think that that's something that I'll allude to later, in a few minutes. The final point is that I think we need to - in terms of general themes, is that we need to

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really seriously audit the Smog Check Program in order to get some kind of an understood picture of what the fraud rate really might be. Five hundred for me is a conjecture, it's nothing to be taken very seriously, but it's a realm of magnitude. However, after 20-some years with the Smog Check Program, we have no agreed upon way in which to measure the amount of fraud that is going on out there to make estimates, make a consensual estimate that the Committee could agree with and the BAR would agree with. We have no way of doing this and 20 years without some kind of a consensual estimate on what is really one of the key parts of the program - this is a decentralized program. how we differ from most other programs throughout the United And if we cannot make our control of fraud a States. success, then this is something the legislature needs to know and we all need to deal with it. That said, I wanted to concentrate more on the performance measures that I was proposing. As a matter of background, my philosophy is that you ought to have a broad set of performance measures that look at every kind of behavior that you really want from a station, and that they ought to be balanced, they should not have too much weight on any one particular item and that these are rather complicated to program. I mentioned that it took us - the first time we programmed triggers, it cost \$120,000 in cobalt (phonetic) because each of the 18 or 19

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modules that we created had 10, 15, 20 steps, all of which were designed to clean the data and to make sure that the data were accurate and didn't misrepresent what a station was doing. And so I'm thinking of something that is equally complex and equally laborious, because we're dealing with stations' money here as I'm going to describe in terms of an incentive proposal. We're taking money out of somebody's pocket or putting into someone else's pocket, and in order to do that, you have to be number one, public; number two, accurate. So the measures that I were proposing were basically an overall fail rate and most of these measures are based on some kind of an expected versus actual ratio calculation. We did this in the 1990s based on vehicle age. It seemed to work quite well. We now have other programs that go by make, model, and so forth, the high-emitter profile concept, and that is, in my mind, unquestionably more accurate. So however you measure the expected to actual failure rate, I think that that's probably the way to do it and that's the most fair for all the stations. Certainly the most important thing is the tailpipe failure rate. We saw in Phil Heirig's data that it was based on tailpipe failure rates and we saw some things that we really would not want to see and so that's a very important thing to look at. Second, overall failure rate was 10 percent, tailpipe failure was 20 percent, functional failure rate, 15

percent. And again, that's kind of a seat-of-the-pants judgment on my part because it seems that that's one of the things that's not done very well. And that tampering is not the issue that it used to be 20 years ago and so that's why I gave it only a five percent weight. However, that is entirely a matter of judgment and it's entirely a matter of policy how much weight you want to put on any of these modules. Finally, gross polluter identification. Again, I think it's possible to do that even though GPs are only a small percentage of the vehicles that are inspected. have to be particularly careful with that because of the statistically small sample that you might get from some of the lower-volume stations. But, again, that's an important part of the program. Aborts - from what we've been told, the habit of aborting the test has been considered to be pretty well correlated with fraud. I don't know what BAR thinks about that, and I'd like to hear it, but aborts to me are a serious indicator of some possible fraud. When you stop the test in the middle of the test and then start it again, you will have either committed fraud or you will have done something to super-warm-up the car and super-heat the catalyst in order to make it pass. So I would look to a low abort rate as one indicator of the kind of performance that I'd like to see a station have. And then a couple of really different ideas, and that is complete repairs which mean

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getting the most emissions reductions that you can from a car and I think this Committee has mentioned a number of times and discussed the fact that repairs don't seem to Again, that seems to be the case from Phil Heirig's last. Repairs don't last and what's more, we don't clean the car to the extent that it's really feasible to do so. So some kind of a metric that is based on getting the emissions reductions that we think are possible and not just the minimum emissions reductions, that's another thing that we expect stations to do and I think we can measure them on Next is passing the next test and it again goes directly to the kind of data that Sierra is presenting where you have 20 percent of cars that passed the prior test are now failing within a short period of time and nearly 50 percent of the cars that failed the prior tests are found on roadsides to be failing again after they were supposed to have been repaired. And so I think it is a very important thing for a station to have a reputation and, in fact, to perform in such a way that cars will pass the next test. That is in fact a consumer protection because the consumer then does not have to pay twice for repairs that should have been done right in the first place. The final thing that I was going to suggest in terms of performance measurements is reporting repair costs and, I can tell you that ever since the inception of the program, we've always wondered about

whether the repair cost reports were full and complete and Many stations just don't do them or rarely do But that's an important measure in terms of our knowing the actual cost of the program for consumers and so I would stick that one in and say that's something I'd like to see every station doing as best they can, understanding that test-only stations are not going to be in a position to So those were the measures I'm proposing. then what do I want to do with results? I had simply mentioned, and again, for discussion, I'm not stuck on any numbers, that as an incentive for stations, you divide the stations into six or seven groups, you take the best stations and you get them certs for \$4.75. You take the worst stations, you sell them certs for \$10.75, and the stations that you don't have any data on or where the data aren't statistically reliable, you stick with the \$8.25 cert fee that we now have. But you create, and, again, I'm going to refer to that 70 percent of stations, you create incentives for that 70 percent of stations to do better, so that if my friend Rocky had been clean-piping his grandmother's car, he would stop doing that because there's money in it for his station. So those are basically the incentives that I'm proposing. I don't know whether they would work and I have to say that that's going to be a matter that the Committee could certainly debate, that might

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be worth discussion in the industry. I don't know whether those incentives are enough, but I do know that our program now does not have incentives for doing better, other than occasional situations where somebody gets a special piece of paper from the State, more or less like the attendance awards that you might have gotten when you were in grade school that said, good job, keep it up. But there are really not those incentives, and it goes back to what I'm saying about the licensing program where in effect the only disincentive the BAR can offer you is to take your license away if they catch you with fraud. And so I think that this is a step in the right direction. Whether it solves the problem or how well it solve the problem, that's certainly worth discussion. I think that's about all I wanted to say. I did have some pros and cons on the issues, but I think I'd rather hear your questions and comments first.

CHAIR WEISSER: Thank you, Steve, for laying out the Committee's agenda for next year. First of all, are copies of this available for the audience, have they been made available?

MR. CARLISLE: Not yet, but we can. This was technically a work-in-progress.

CHAIR WEISSER: It seems to me that it would be really desirable to get this out in public because I do think that before any next steps are taken, this needs to be subject to considerable public discussion. Having said that, I

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personally, and on behalf of the Committee, Steve, want to thank you for kind of teeing this issue up and teeing it up in kind of a sober and analytical fashion and identifying, for at least this Committee Member, the elephant in the Because indeed, as I spoke in the last meeting, it has been my impression that while cheating may have been rampant in the program in its early years, the impression that I have gathered over the years and during my period of time on this Committee has been that the number of scofflaws and crooks has really declined to the point where it isn't rampant. Your guesstimate of 500, maybe even 1,000, crooks, people who are willfully violating the public trust for individual gain, both them and the customer they might add, is to me incredibly disturbing and for that reason, I guess I'd like to spend a little time now, if you would, with the Committee and with the public in the audience, describing what's led you to believe that in fact it's not a handful of rotten apples in the barrel, it's bushels.

MR. GOULD: Well, to respond to one of your comments that things have improved, that's what my data showed when I was doing triggers. The first time I did it in 1993, it looked like 11 percent of the stations were pretty crooked. Of course, we always had the attitude that just because the numbers look bad doesn't mean that the station is necessarily bad, but that would require an investigation to actually find

> 24 25 MR. GOULD: Yes.

But, six years later, the last time I did a trigger's run, it had gone down to nine percent and I thought that was a pretty reasonable improvement and I'm not such a bad statistician as to put a ruler on that and say, gee, six years later it's now gone down from 11 to 9 to 7. That would be pretty crazy. What I am suggesting is that something in the magnitude of seven percent of the stations wouldn't at all surprise me, and seven percent is about 500. The second reason that I think the number is fairly is, again, you look at what Phil Heirig's, Sierra Research's, numbers imply for the amount of clean-piping or really poor repairs that goes on. And it could be a failure on the initial test and then clean-piping on the second test or however that works out, or just a really poor repair. you look at the implications of that and you can say, well, how can any less than 500 stations be accounting for this? We're talking about 20 percent of the cars that passed a prior test are now within a few months failing, and what does that imply? Well, you can't get that number of vehicles with only a few rotten apples. It has to be hundreds and hundreds and hundreds of stations accounting for this or -

CHAIR WEISSER: Who are either cheating during the test or doing marginal repairs; is that correct?

CHAIR WEISSER: Thank you.

MR. GOULD: But you have to look at the fact that there are 20 percent of the cars that are failing within, let's say, six months of the test, but only 14 percent according to the BAR stat fail in the first place. So you're immediately caught with the idea that six percent clean-piping is likely.

CHAIR WEISSER: Could you repeat that again? I didn't understand what you just said.

MR. GOULD: Well, if you look at Sierra's data - and you remember it doesn't track those curves, those straight lines don't track back to zero, and so what they're showing is that the vehicles on the roadside - of those that passed the prior smog test, 20 percent are failing. But only 14 percent in the normal BAR data fail. If you look at the BAR monthly reports, they say 14 percent are failing. Well, if it looks like 20 percent are failing when you see them on the roadsides, 20 minus 14 is six and then you have to say, that's possibly clean-piping. So to go back and to answer your - is that making sense, Vic?

CHAIR WEISSER: Yes, it is. I want to give it some thought.

MR. GOULD: Okay.

CHAIR WEISSER: You have two different test methodologies, of course, two different set-ups.

24 | MR. GOULD: The test methodology on the roadsides is the same.

CHAIR WEISSER: They have the dynos, they have everything set up

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MR. GOULD: Yes, yes.

CHAIR WEISSER: The car preparation is different, but you would expect cars to be actually warmer if they were on the road.

MR. GOULD: Yes, you would, and they would be correctly warmed

CHAIR WEISSER: I'm so interested in hearing other Committee

Member's questions and the responses from the agencies and

the audience, the stakeholders in the audience, I'm going to

shut up for a minute.

MR. GOULD: Okay, well, let me finish the discussion here. asked me why I thought 500 and so forth. The third reason is that you can look at the BAR data on enforcement as reported in their most recent BAR/ARB evaluation report, and they will show that for a period ending, I believe, in 2003 and 2004, for seven years, they averaged 305 successful enforcement actions, meaning actions which actually resulted in taking someone's license away. Well, if they average 305 and let's say their hit rate on undercover investigations was 75 percent, that would tell you that there were 400 stations that were probably cheating, but they only got 75 percent, they only got 300. Moreover, you have to think about all the stations for which they didn't get a tip, for which the statistical evidence wasn't yet bad enough to cause an investigation. And I certainly knew that having

done that for six, seven years on the triggers thing, I could see that the statistics will take some time to catch up with the station's bad performance. So if it's 300, 400, 500, you're again in the same realm that I'm talking about, which is a fairly minimum realm and that simply comes out of the BAR enforcement data. And I think I would add one other thing, that BAR doesn't have the resources or the staff to investigate everything that they think might be crooked. So it gets to be a real problem. I'm answering your question here and that's probably enough.

CHAIR WEISSER: And I think you've done an admirable job. think it's important for the audience to get a good understanding of what generated that guesstimate and I want to emphasize, Steve, I think you've done a terrific service. A, you not only pointed out the elephant in the room, but B, you've started the design of the elephant gun to attempt to say, hey, the pea-shooter that we're using now hasn't been working as well as you'd like. The object of enforcement programs is compliance and you're not seeing the sort of level of compliance that everyone would want. And so you're suggestion of coming up with an incentive-based program and really kind of changing the program from a licensing program to a contracting program in a way almost, is very creative, very thoughtful and I think it's laid out something that will be an enjoyable debate for you and others in the months

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MR. GOULD: I would also like to point again, back to one of my main themes is that I would like to see some kind of an agreed upon audit method where if 500 is a bad number, somebody else will propose that's good and so that over time, this Committee and others will be able to look at what progress is being made and how effective we're doing this job.

CHAIR WEISSER: We have a pretty significant agenda ahead of us today, so we're only going to be able to touch the very surface of this discussion today and I would suggest that we need to limit the discussion among ourselves to 20 minutes, no more than that. So what I think the object of today was raise the issue, alert us to this, the Committee then needs to come to an agreement among itself as to how it would want to proceed on this. So questions and comments I think might want to be directed toward that and what do you want to do. Gee, there's an elephant in the corner, the existing thing that we're trying to use to guard against that elephant doesn't seem to be working as much as we'd like, here's another approach that might work. What do you guys want to do with that? Let's just first open up to Committee Members for their thoughts and comments and we'll start with Roger.

MEMBER NICKEY: Steve, I - Roger Nickey - Steve, I believe I heard you say that there's a lot more to judging station

performance than failure rate. Is that correct?

MR. GOULD: Yes.

MEMBER NICKEY: There's a lot more than just failure rate. The other thing I wanted to mention was you're talking about aborts being an indication of fraud. Were they sorted out in any way or was it just all aborts? Because what I'm getting around to is there are many, many reasons for an abort that are outside the control of the technician. The machine will abort a test, humidity's out of range, speed's out of range, there's all kinds of things the machine will just flat abort a test and we have no control of that.

MR. GOULD: That's true, but if you're talking about 7,000 stations doing 1,300 tests a year, it ought to even out.

Your station isn't going to have more aborts than some other station unless there's some reason that I don't know of that maybe your analyzer is different and so forth. I would think that a very large sample, the number of aborts would be fairly spread out among all stations and only the stations that are really extreme are going to stand out badly in a test like that.

MEMBER NICKEY: Okay, rather than get in a long discussion about aborts, I'd just like to have the understanding that there are other reasons for aborts other than fraud.

MR. GOULD: Absolutely.

MEMBER NICKEY: Cheating does not happen in a vacuum and I would

assume that the only reason for cheating is monetary, so others have to know of the cheaters. Why not have some way of some reward, \$1,000 for turning in somebody that actually gets convicted of clean-piping. If I know of somebody down the street that's doing it, rather than shut up and ignore them, why don't I turn him in, have an investigation, and if it's found out that he is and loses his license, I get a reward? That's monetary and I think it might take the incentive for some of these guys to stop doing it.

Good suggestion for consideration in the future.

MEMBER NICKEY: Okay, my last item was that roadside testing - I have a lot of issues with that because I actually went out and spent about an hour with a group that was doing roadside testing and it's quite different than having the test done in a shop. For instance, they don't open the hood. There's no visual or functional with a roadside test. They just pull the car up on the machine, do an exhaust run and out it goes. And in fact, there's no fast-pass, so the test is actually done differently than in the station. And they are also very selective. A car comes up - they have a criteria that they follow and they reject a lot of cars that they pull over for testing. They just don't test every one they pull over. They sort them; did it have a test a little while ago, does this fit the parameters that we want? You go on, we're going to take the next one. They may reject

two or three cars before they get one they test, so I'm saying that it's quite different roadside testing versus testing in the shop.

MR. GOULD: My response to that is I haven't done roadside testing for six to seven years for fairly obvious reasons, so I don't know what the methodology is that they use right now. I know that they used to open up the hood and do the full functional test.

MEMBER NICKEY: The group that I was with did not. When they selected on they wanted to test, they ran it up on the machine, they ran the ASM, and out it went.

CHAIR WEISSER: Well, it's something that needs to be explored.

MEMBER NICKEY: Yes, they even had a different vehicle inspection report in a totally different format and it was basically exhaust related. It had nothing to do with visual and functional.

CHAIR WEISSER: Thank you. Bruce?

MEMBER HOTCHKISS: Yes, because you wanted us to stay rather brief, I think this is a topic that we need to dedicate a lot more time to. I think there's a lot of issues that we can look at. Enforcement could probably take up many meetings. But just one thing on this paying shop owners to rat out somebody, I don't know if the shop owners are - if they need money to be honest and to point out the people that are being dishonest, I have a problem with that. As

you know, when I was BAR, I did enforcement for a number of years. I had one shop over ever drop a dime on somebody. So the opportunity's there and if you're running an honest shop I'm not sure why you would hesitate to turn in somebody that was running a dishonest business. And I don't think money is going to do it.

CHAIR WEISSER: But you do think this is a subject that is worthy of further investigation?

MEMBER HOTCHKISS: Definitely.

CHAIR WEISSER: Gideon, do you have anything? Jude, nothing?

Dennis?

MEMBER DECOTA: Well, Steve, I am a little taken back by your comments as far as the fraudulent part of the industry. I think there are errors made in all of these areas and I think they are important that the Committee look at it, but intentional fraud to cheat the program, I don't think it exists in the magnitude that you're trying to represent here. And I think that we need to look at this now and flush it out and prove it. I don't believe that you'll find six percent of the cars being clean-piped. I think that is statistically inaccurate and as an industry person representing industry people, I take a little offense at that because that is deliberate fraud by any means. I think also that the program lacks foundation in helping the shop owner to complete the task in a manner that would take and

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adhere to all the triggers. I hope you realize that I was part of the group that helped set up those triggers that you're talking about and I understand the purpose of the triggers and that they're to help the wheat from the shaft, so to speak, when it comes to fraudulent activities, but one in itself may not indeed be an act of fraud as most people look at the term fraud. You do an abort because you've got a good customer that you've had a rapport with for 20 years. You see the car is going to fail, you repair the problem, it doesn't get reported, it is fraud in the program. intentional fraud by the shop owner to take care of his customer? Does he clean the air as an end result of his performance? Does the law say to the consumer you must bring the car into specification and fix it? No. It leaves it void and ambiguous. I can change a spark plug for a burnt valve and pass that car. Am I in violation of the I don't think so. We need to fix the whole problem, not just point fingers. We need to look at the law how it applicable to the industry, who's responsible for the work performed. Am I responsible for the work of a licensed Smog Technician I hire because I own the shop and I may own a chain of shops and I cannot be in that facility 24/7 to oversee everything that is done by that technician? there some responsibility that comes to play on his part? You're damn right there is, because the State is the last

licensed him to perform in a certain standard. I can't watch all of that as a shop owner. So fraud to me is a very sensitive issue and I look at it from the standpoint that we better be damn accurate if we're saying 500 shop owners or 700 or 1,000 shop owners are intentionally trying to defraud the State as it relates to health and clean air. I don't believe that's true. Are there mistakes? Yes. Do we need to fix it? Yes. Is this something that needs to be discussed? Yes. And I thank you for that.

CHAIR WEISSER: And thank you, Dennis, for your calm and dispassionate response. I think that you've identified one of the key steps that needs to be taken in terms of pursuing this which is to look more deeply into the analysis that Steve provided in terms of how far out of whack is performance of the program versus the expectations of the program and does that move you to believe that fraud is widespread. I think that's an initial hurdle that does need to be explored in some depth. Thank you. Jeffrey?

MEMBER WILLIAMS: I'd like to observe about your incentive

system that it's saying anybody who has a test at a particular station that's a good performer should probably have a lower price and somebody who's having a test done at a not very good performing station should pay a higher price. Well, extend that philosophy one step further and what we might observe about a fraudulent station, one that's

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been found by BAR enforcement to be clean-piping. ambiguity, the technician has pled guilty, given up his license, something like that. Why isn't everybody else who's had a test done at that station suspect? Why is the HEP not having a variable in it that says your station for the last test was fraudulent, I think perhaps you need to have your car taken to test-only since the test-and-repair shop was fraudulent, or something like that. Presumably, that's a predictive variable in the tests that might be done. And that gets me to what's in the basic philosophy of HEP, which is, it's not about the station that's done the test or the car that's been tested, it's about some broad category of model. And that seems rather odd because we have a lot more information about whether a car should fail or not and we're not using it. Which gets me to - any performance measure that you have is really a way of investigating HEP. And I will conclude, for my tenth time, it is really essential to understand this program, to understand the HEP algorithm and I recommend, for the tenth time, that that be an essential item on our agenda.

MR. CARLISLE: Mr. Chairman, if I may. A while back, I invited

ERG to make a presentation with regard to high-emitter

profile since they were the creators, if you will. That was

barred by the former administration, so I will speak with

BAR and see if we can't get that point.

CHAIR WEISSER: Thank you, Rocky. Thank you, Jeffrey, for being a good soldier ten times. Keep on banging the drum. Eldon, any comment? No comment? What I'd like to do is open it up for some brief comments from members of the - I'm sorry, Roger?

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MEMBER NICKEY: If I didn't think this was important, I wouldn't have butted in. The clean-piping thing has been eating away at me for a while here and this will be brief. I think if you ask most anybody in here, what is clean-piping, they will say, well, they take the probe out of the car and they put it in one other than the one they're testing. that's not always the case because the car you're testing can fiddled with also. In other words, you can test the car in a different gear to get different results, maybe to pass when it wouldn't pass otherwise. You can super-heat it to get it to pass, which to me is the same as clean-piping. You're getting results out of the car you're testing other than what it would have been had it been tested properly. So there are ways to manipulate the test that might be construed as clean-piping that doesn't really mean I took the probe out of this car and put it in that one.

CHAIR WEISSER: Thank you. Okay. I understand that the noise buzzer is not functional and the cattle prod is not functional on our timing system, so we're going to rely on the lights, which are functional. I'm sorry, Jude, did you

1 have something you wanted -2 MEMBER LAMARE: Are we webcasting? 3 CHAIR WEISSER: Are we webcasting, Rocky? 4 MR. CARLISLE: Yes, we are. 5 CHAIR WEISSER: So what I'd like to do is now invite members of 6 the audience to share their thoughts regarding what they've 7 heard and keep their eyes on the light and I'll remind you 8 at the end with my noise-maker. We'll start at the far 9 right and -10 11 send.

MEMBER LAMARE: We need to let people know about the email to

CHAIR WEISSER: Rocky, do you want to announce the email address that people who might be watching this on the webcast could send their comments to that we could pick up?

MR. CARLISLE: Yes, we can get email at imreview@dca.ca.gov.

CHAIR WEISSER: And when would you get those, Rocky? Are they -

CHAIR WEISSER: Right now. So we would be able to ask you to

MR. CARLISLE: Immediately.

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read those to us when you get them. Okay, Mr. Rice? MR. RICE: Good morning. Bud Rice, Quality Tune-Up Shops. two quick comments. The first one is, Mr. Gould, you made a comment about 20 percent of the cars that pass are now failing, and I think there was some discussion about that cheating could be one of them or marginal repairs, I think, Chair, you said that. Another discussion we were kind of

having a little bit in the back was that the car could be broken between then and now as well. But part of the thing I've been saying a number of times as I've come up here is that you're also talking about customer's money. And at the point where a car passes, how do you keep going past that point when you're now spending a customer's money? If there isn't some methodology for that that says here how you play the game, Bud, and here's how your shop needs to operate, great. But since there isn't, that gets to be a little bit dicey. So the fact that you have some cars passing and then later failing, a lot of it is just due to the fact that you can only go so far from a shop's perspective.

CHAIR WEISSER: Otherwise, you're just milking - you could accused of just milking the customer.

MR. RICE: Yes, now I'm back here for a whole different reason.

CHAIR WEISSER: Right.

MR. RICE: The second comment is the equipment variations. Mr. Gould, you were saying that there's 20 percent and then there's 14 percent, so six percent could be attributed to clean-piping. There's a difference in variations just from equipment and if you have your car tested at one station, you go down the block and you have it tested at another station, there's variations in just how the equipment operates that could account for some of that. So, those are my two comments. Thank you very much.

CHAIR WEISSER: Thanks, Bud. Next, Randy?

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MR. WARD: Mr. Chair and Members, Randall Ward, California Emissions Testing Industries Association. Steve, I think that was excellent work and I look forward to continuing the investigation and working with the Committee within the context of the data that he's produced. I'll try to be equally as dispassionate as Dennis, but I think one of the items on which we can agree is the issue of technicians and the BAR has limited authority and in many cases that we're already familiar with, it's the owner that gets hit with the hammer and the technician that gets slapped on the wrist. think that needs to be a part of any ranking of station performance, the recognition that the owner does not have total control over human behavior 100 percent of the time and we've already heard about the competition for technicians and, frankly, we see a lot of recycling of technicians in the industry. So I think Roger's aware of that, certainly Dennis is, and I suspect Bud as well. think that's particularly important.

CHAIR WEISSER: What do you mean by recycling of technicians?

MR. WARD: If you're a shop owner and you have a technician that is not performing up to your standards and you release that technician, he's simply going to be hired because there's a huge market for technicians and it's a problem finding capable technicians.

CHAIR WEISSER: You said, Randy, the station owner gets shot and the technician gets a slap on the wrist. There are mechanisms to punish technicians, but it's your viewpoint they're not being pursued or they're insufficient?

WARD: I think that - in fact, I know, that the mechanisms for dealing with technicians are far less stringent from those available to deal with the owners and ultimately, I think we all agree. And clearly the law can be characterized as recognizing the owner maintains ultimately responsibility, but we also recognize that human behavior is just that and an owner isn't there 100 percent of the time and I don't think the BAR has the tools legally to enforce technician behavior as it might otherwise like.

CHAIR WEISSER: And that's clearly a part of the equation here.

MR. WARD: Absolutely.

CHAIR WEISSER: I mean, the technician is an agent of the owner.

The owner, part of the responsibility as the owner is at some level maintaining control of the operations and if they can't obviously from direct visual, there are other things that they need to try to do. Gosh, I'm sorry I'm not going to be able to engage in this in the upcoming months and years. Do you have any further comments, Randy?

MR. WARD: Mr. Chairman, I'm equally as sorry. I've very much enjoyed your chairmanship and your contribution to the Committee and as a stakeholder representative as well.

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CHAIR WEISSER: Thank you very much, Mr. Ward. Please, Chris? Mr. Chair and Members of the Committee, Chris MR. WALKER: Walker on behalf of the California Automotive Business Council. I apologize I came in late so I did not hear the totality of Steve's presentation. But I did hear a lot about mechanisms and how we can get stations to perform better and we're absolutely open to that discussion. have been talking about that from Cal ABC's perspective for a while, looking at the system, how do we get the system to perform better. But I also want to caution that we've been talking only about one side of the equation today, which is the supply, if you look at a supply-demand dynamic, and the consumer is the one creating the demand. We're going to have to modify that demand at the same time we're addressing the supply side, because as long as consumers are not held responsible for the performance of their vehicles and they're just looking for a certificate to register their car one time every two years, you're going to have - I don't care what kind of system you put in place, you're going to have problems. So we're going to have to address both sides of the equation. Thank you.

CHAIR WEISSER: So, Chris, I'll be looking forward - or I should say the other Members of this Committee will be looking forward to hearing your suggestions in terms of how to align consumer behavior to the program goals better.

MR. WALKER: It's obviously a very sensitive and politically tricky way to do it, challenge it, but somehow consumers have to be brought into the -

CHAIR WEISSER: Yes, I mean, I'm really stupid on this stuff. I tossed this out as almost a joke years and years ago, but why aren't we, on newer cars, hooking up some sort of visible light that would go off outside indicating the car's emission control system was no longer performing up to par. I know that's a bad idea, right? It's stupid. But I'm not so sure it's that stupid.

MR. WALKER: Would they be kicked out of HOV lanes?

CHAIR WEISSER: I would say you trigger - it's the surface-tosurface instant car scrappage program. The light goes on
and a missile is aimed at the car and it's no longer
emitted. No, I mean, there's some external visible sign
that would go off that would be difficult to tamper with. I
know the automakers would go bonkers and the public would go
bonkers to some sort of intrusion of big brother. Well, bad
air is intruding in my lungs and I'm tired of it. I agree
with you, Chris. The consumer needs to be put on the line.
We all say we care about air, then let's move forward on it.
Thank you, Chris, for listening to my last tirade as
Chairman. Please.

MS. MEHL: Sherry Mehl, the new Chief of Bureau of Automotive

Repair. I just want to say that I look forward to working

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with you on this project. I think it's a worthwhile I don't want to comment on the particulars of this particular report because I haven't had the opportunity to study it and to look at it, but I have some concerns with some of the speculation that I've heard today. I'm one that likes to see the data, so I would want to make sure that we're putting together the data that verifies or validates the report as well, and I look forward to working with you. One of the things that we've identified at BAR is the consumer and the consumer's disconnect with what happens when their car isn't repaired correctly and the impact that that's having on the air in California. You see little kids and they're concerned about all these environmental issues, and yet they'll hop in the car with their parents and the smoke pouring out of the back and not say a word. it's a whole mindset, I think, that needs to take place. have an RFP out for a public relations campaign that we'll be working on next year that will focus on the Breathe Easier aspect and what actually - why they should want to go and get their car fixed. I think it's a disconnect and I'm not sure how the environmental groups have missed that in terms of PR and I think that this is a whole new era and a whole new opportunity that people would want to say, wow, my car is out of tune, I've got to go in and get it fixed, or, yeah, I've got a Smog Check coming up, so that I can

validate that I'm not polluting the air. So it's a whole different mindset and I think it's one that's not been focused on. We look forward to being partners in clean air and working with you on this project.

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CHAIR WEISSER: Sherry, I want to thank you very much for your You know, your arrival on the scene has really comments. been a breath of fresh air. The report Rocky just gave on the BAG meeting is indicative of the sorts of changes and openness that you've brought to the process and clearly your heart and your head are in the right place. I'm just really super glad you're here. I will mention that you may want to make some direct contacts with Linda Adams, who as secretary of Cal EPA has an environmental education program group of folks that are working. Jack O'Connell, the superintendent of Public Instruction, who has responsibility for their curricula that's required in the state, and issues associated with the use of environmental education as components of that curricula are important ways to education the sort of change in people's thinking that you're indicating. And you also may want to contact the Disney Company. They have an environmentality program with Jiminy Cricket as its spokesperson that is worldwide in scope and renowned in terms of their impact. I think the woman that you would contact their, her name is Chris McNamara. been behind that program from its inception.

remarkable effort and they've done some really good things and are eager to work with the State in trying to identify other ways of influencing people's behavior consistent with the achievement of our environmental goals. Thank you.

MS. MEHL: Thank you.

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CHAIR WEISSER: Okay. Mr. Peters?

MR. PETERS: Yes, hello, Mr. Chairman. I'm Charlie Peters, Clean Air Performance Professionals. I'm here representing motorists. I will just comment to a couple of things that I've heard and just throw out some possibility for consideration. I thought I heard when Mr. Gould was making his presentation a suggestion that tailpipe results should be the primary factor in evaluating the program and looking at the kinds of things that might make it work better and that's really interesting because to me what's coming out the tailpipe is certainly a factor in how much that car pollutes, but it disregards the very expensive, very sophisticated certification of the vehicle to start with, with how much gas mileage a car gets, how it stays clean over time, what the design of the engine is and a whole lot of other factors other than meeting a particular tailpipe test standard for the California program. I am of the belief that if you look at finding out if what's broken gets fixed, you'll find that the tailpipe emissions reduction will significantly improve and behavior will improve and

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will suggest that adding to the good doctor's suggestion of looking at tailpipe, we also add the issue of looking at whether or not what's broken gets repaired. Incentives to make the results better, better based on somebody's opinion. And what does that mean, we could probably discuss that for the next ten years, but how about us going back and taking a look at disincentives, reasons why people don't do something. When you have a performance-based program that's based on consumer complaints, you beat up the guys that do it right, you make heroes out of people that do it wrong, you get some results that don't match. You get people setting policy where a preheat tube, it's okay to put it on before you run the test and it's also okay to fix what's broken afterwards. So you need to create some consistency there. Last issue, I'll cut it very shortly, the elephant in the room, it's very possible that the elephant in the room, the bad guy out there, can be the best performer in the whole program appropriately given the appropriate amount of oversight and care. Thank you.

cars will stay repaired for longer periods of time and so I

CHAIR WEISSER: Thank you, Mr. Peters. Are there any other public comments? Anything to follow-up by any of the Committee Members?

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CHAIR WEISSER: Hearing nothing, Rocky, I think it's time for us

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to proceed to our next section of the agenda and we'll ask for comments or updates from the agencies, from BAR first. Or do you guys want to come up holding hands? MR. COPPAGE: Alan Coppage, Bureau of Automotive Repair.

Committee, Chair, we'll be brief this morning as you already heard from our new Chief, Sherry Mehl, regarding some of our I just want to make a couple of comments outreach programs. and few quick updates. The joint BAR/ARB response to your draft program, everyone has that, correct? You've all seen it, very good. The issue that's been on the table with a portion of Steve's comments, the Sierra - I saw it flash up here, the Sierra Research graphs that were up there, I wanted to touch bases briefly on that. I think I may have spoken about this last month. BAR has been actively pursuing repair effectiveness for more than a couple of years, specifically through the Clean Car Program, which many of you are aware of. More directly in response to this graph from Sierra Research - I think I hear it firing up, Mr. Carlisle's going to show it. It won't reference it specifically, more in category, that elements of the Clean Car Repair Effectiveness Program that specifically address repair effectiveness at the time of certification, we are currently taking elements of that program and are incorporating them into our complete quality assurance programs statewide to deal with the issue of repair

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durability. And they are somewhat two separate issues. repair durability has been directly reflected in these graphs in how long a car stays clean over time as it is picked up in the roadside inspection program. So I just wanted to update you briefly on that, that BAR is already taking steps, as some of the Members, Mr. Nickey and Mr. Hotchkiss, as well as Mr. DeCota, the inspections are done by individuals on individual cars one at a time. look at statistics and, yes, statistics being what they are, I'm not a statistician, but when you look at a massive number, you do get some consistency with those numbers. However, we do like to spend time in Smog Check stations talking to individuals, owners, technicians and, to the greatest extent we can, consumers who may be onsite about the whole experience and how to dovetail what we need to get done in the clean air arena with the consumer protection that we're also charged to have over the consumers. that's just a quick update on our efforts. The low-pressure fuel evap draft regulations, everybody has seen those as well, correct? Very good. If you haven't, we'll get those to you. Rocky mentioned the last BAG meeting, I can give you a quick update. The next BAG meeting is scheduled for January 10th, 2007, here in Sacramento, so you can mark it on your calendars to be ready for that. A couple of new positions in BAR have been filled. Some of you may know

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Deputy Chief for CAP and Admin, Sylvia Ramos, has been brought over. She's now with the Bureau of Automotive Repair. As well as Mike Vanderlaan, who many of you - is very well known to you, has moved from the Engineering Deputy Chief position to the Deputy Chief of Field Operations and Enforcement. So we've played a little musical chairs at BAR and we have some new people in some new positions, looking forward to great things out of a full staff working under Sherry. And lastly, I wanted to speak briefly on something that's come up over the years. letter from BAR is being drafted to go out to all motorcycle dealers that in no uncertain terms less than no that those vehicles are certified for sale and use in the state of California as they were configured and any modifications to those emission control components on those vehicles is illegal. So this has been an issue again, why don't we test motorcycles, we've got all these visible signs of tampering, so we're taking an active role, as well, in that arena to at least put these stations on notice, the motorcycle dealers on notice that this is indeed a violation. So that should come as good news, we're going in the right direction with And that's pretty much it. Sherry spoke briefly about the RFP for outreach, so that's going to be a big issue for BAR in educating everybody - consumers, as well as motorists and licensees about the need for clean air.

that's my update, I'll take your questions.

CHAIR WEISSER: Thank you. Any questions of Alan? Thanks,
Alan.

MR. COPPAGE: Very good, thank you.

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CHAIR WEISSER: James? Speaking of recycled people.

Good morning, James Goldstene, California Air MR. GOLDSTENE: Resources Board. Several items to bring you up to date on. The first item I'd like to let the Committee know about is that on November 14th, the Air Resources Board held its second workshop on the State Implementation Plan goals for both PM and criteria pollutants. That was a well-attended workshop over at the Secretary of State's building. As a follow to what Alan just said on their letter to motorcycle dealers, we did have a representative there from the California Motorcycle Dealers Association who - he and I had an exchange about the importance of making sure that motorcycles remain compliant. The second item I wanted to raise is actually relating to Item 7 on today's agenda, which has been postponed, partly in consultation with the Chairman of IMRC, Mr. Weisser, because this is relating to the remote sensing report because we decided jointly that we should make sure that before the report is released for discussion that it's sent out for peer review and public comment and that should happen in early next year.

have the report finalized and we are now in the process of selecting peer reviewers and we'll make sure that the Committee and Committee staff are part of that process.

CHAIR WEISSER: I appreciate that. I think on issues as important and controversial as remote sensing that we need to approach it in a bullet-proof fashion - you need to approach it in a bullet-proof fashion because the bullets will fly. Just nature of the stakeholders as such. You guys are right in the middle of it and I think it's smart for you to make sure that stakeholders have a copy of the report, the report is peer-reviewed, period. I don't think it's necessarily a bad idea to release the report as a draft while you're on a path toward peer review.

MR. GOLDSTENE: That's our plan.

CHAIR WEISSER: Okay.

MR. GOLDSTENE: Yes.

CHAIR WEISSER: So you will have it released prior to the peer

review taking place.

19 MR. GOLDSTENE: Simultaneously.

CHAIR WEISSER: Very good.

MR. GOLDSTENE: Right. So we appreciate your thoughts on that,
Mr. Chairman. ARB is working closely with BAR on the
implementation of AB1817. That was the bill last year to
add smoking as a cause for fail to the Smog Check Program.
We went out last month, our enforcement folks, with their

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diagnostic equipment that they use in the field on diesel, they went out to BAR and did a demonstration for BAR and just helping develop - figure out what works and what doesn't work in terms of how simple or complicated this test would need to be as an addition to the Smog Check protocol. We are meeting regularly with BAR and the new Chief to make sure we're moving forward, particularly on the Sierra work, on the program eval. We're meeting actually Friday to continue to move forward. Our hope is to have regular or periodic updates to the Committee similar to what Mr. Heirig from Sierra presented last month, so as we come up with a new module, we will come and present it to the Committee as opposed to waiting for years to finalize something and then present it. So I think that will help us all move forward as we work to solve some of the issues that Dr. Gould has highlighted today. The last item that I was going to speak about was the response to the IMRC report that BAR and ARB submitted jointly. I didn't know if you had any questions about that. And then lastly, I wanted to say that it has been a pleasure working with Chairman Weisser both here and at the Clean Air dialogue and other venues and we appreciate your wisdom, guidance, and support. And speaking on behalf of ARB, you'll be sorely missed. But I know your fiancé will do an excellent job as chair, so thank you.

CHAIR WEISSER: James, thank you very much. We have - is Rocky

here? Are there any comments or questions? Yes?

MEMBER NICKEY: I have a question for James Goldstene, it has to
do with his response to the draft. Is the Air Resources

Board in a position to say whether the referral of 36

percent of the cars to test-only is either a plus or a minus
to the program?

CHAIR WEISSER: Roger, I'm going to ask that we not go into the report until we go into the report.

MEMBER NICKEY: Okay.

CHAIR WEISSER: But if you have - that's a good question, but I also don't think we should dive into the report right now.

Other than the comment that James and Alan put forward about did we receive the letter from ARB/BAR, the joint letter.

We have, we've looked at it. I will tell you from this Member's perspective, it was great seeing both agencies names on the same letter in a letter that actually was clear and understandable, that made points directly, raised questions assertively and constructively, so that's terrific. We'll rip it apart when we get into that section, but I'm really appreciative of it. Because we're going to spend a considerable amount of time on the report and, in fact - anything further from James?

MEMBER NICKEY: Is the operative word rip?

CHAIR WEISSER: We get to rip back. Rocky, it's ten to 11:00, we have an 11:30 lunch scheduled, is that correct?

- MR. CARLISLE: Yes, sir.
- 2 CHAIR WEISSER: What's your suggestion in terms of the next
- order of business? Should we begin to go through the draft
- 4 | IMRC report?
- 5 | MR. CARLISLE: I think it would be time well-spent, yes, the 40
- 6 | minutes.

- 7 | CHAIR WEISSER: Excuse me, Mr. Peters, did you have something
- 9 you wanted to raise?
- 9 MR. PETERS: Just kind of a part of order, Mr. Chairman.
- 10 Charlie Peters, Clean Air Performance Professionals. We
- just had significant on the agenda by the Bureau of
- 12 Automotive Repair and the Air Resources Board. Is there
- going to any opportunities for comments as normally would be
- 14 | the procedure?
- 15 | CHAIR WEISSER: Comments on what subjects? You mean the
- comments that were made by the updates by BAR and ARB?
- 17 MR. PETERS: Exactly, sir.
- 18 | CHAIR WEISSER: Well, sure, we can do that. Would you care to
- 19 | make a comment, Mr. Peters?
- 20 | MR. PETERS: I would.
- 21 | CHAIR WEISSER: Please.
- 22 | MR. PETERS: Thank you. One of the things that Charlie
- 23 Peters, Clean Air Performance Professionals. I'd like to
- 24 bring up another side issue and wonder I wasn't here when
- you first started the meeting. It appears as though there's

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a little difference in format here and a little difference with some attendees or an attendee today that could be important and there could be an important reason why. Mr. Chairman, I was wondering why we have the Highway Patrol here today and if there's any special reason that we should be aware of in regards to that.

CHAIR WEISSER: I'll make no comment on that, Mr. Peters.

MR. PETERS: That's a very interesting response, Mr. Chairman. Next issue, remote sensors. The review of the remote sensors, you're absolutely right, sir. I certainly commend your - that there's a lot of interest in this subject matter and the program in California required immediate implementation of remote-sensing technology when the first legislation was passed in 1994. Urgent legislation and immediate implementation and it's still not been implemented. A number of pieces of legislation have been passed requiring its implementation and we're still not there. And in the meantime, we've done lots and lots of evaluation of remote sensing in California, all around the world, with very significant stakeholders involved, universities and so on and so forth, World Bank, while we've never, ever found out if what's broken on the car ever gets fixed, which is critically important both to any remote sensing program, as well as to the current program, and I would suggest that we might consider the possibility of

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taking a more comprehensive look at the specifics of the test-and-repair process and making it work better by finding out if what's broken gets fixed and using that as a basis for improvement and performance and quality. Thank you, Mr. Chairman.

CHAIR WEISSER: Thank you, Mr. Peters. It is my understand that that is part of the charge that Sierra Research is doing.

Am I off on that? James has escaped. Oh, there he is ducking behind Alan. I couldn't see you, James. Isn't Sierra trying to look at some of the issues associated with durability repairs?

MR. GOLDSTENE: It is one of the items we're discussing with

Sierra and BAR about how to proceed in terms of evaluating
that, yes.

CHAIR WEISSER: Okay. I think that Mr. Peters' point is well-taken, has been well-taken for the years. Thank you. Are there any other public comments? Mr. Peters, do you have something additional to say?

MR. PETERS: Thank you, Mr. Chairman. Charlie Peters, Clean Air Performance Professionals. Just a short response to that. Sierra Research has been a significant player in this process as far back as I can remember and was the one who created the report for the original IM Review Committee, etcetera, and they've been a significant player on a national/international basis and so I think their view of

how this should work has been known to pretty much every professional in this industry for a very long time and I don't know that that's getting the kind of light of day that it maybe deserves and I would appreciate any additional light that can be put on that and improve the performance from that direction. Thank you.

CHAIR WEISSER: Thank you, Mr. Peters. Any further public comments? Okay.

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CHAIR WEISSER: Well, we now have about 35 minutes before we're going to take our lunch break and perhaps we could utilize that by asking our Executive Officer to set up our discussion on the report. Mr. Carlisle?

MR. CARLISLE: Thank you, Mr. Chairman. I think everybody's read this ad nauseum by now, I'm sure, but there were a few minor edits since the last meeting. One thing, right on the title page, it's dated September 29th. Because it was dated September 29th and Mr. Pearman served until November 1st, I've left his name on this report, in case anybody questions that.

CHAIR WEISSER: Rocky, it is my belief that the report would be issued when this Committee approves the report and, therefore, Mr. Pearman's name should not be on the report, but instead the existing Committee membership must appear.

MR. CARLISLE: I'll make that -

CHAIR WEISSER: I regret that because Mr. Pearman made such a great contribution to the development of this report, but I think it's the Committee at the time of its issuance. I'm sorry, Dennis, you're pointing out - I think we've got to get the list to reflect the current membership of the report. Perhaps in our cover letter, we need to acknowledge Pearman the fact that - well, I don't know, I guess it's not something that's suitable. I, once again, feel obliged to mention my disappointment that Mr. Pearman was not reappointed.

MR. CARLISLE: Okay. My thought was with regard to reviewing what edits we've done in the report, if we look at Part Two, specifically Page 2-13, we edited the topic of the comparison to test-only, test-and-repair, and Gold Shield.

Basically, the third paragraph down which starts "It is our opinion that the original decision to direct 36 percent," we've basically placed that into the future instead of looking at the decision that was made in the past.

CHAIR WEISSER: Excuse me, where -

MR. CARLISLE: Page 2-13.

CHAIR WEISSER: - in the second paragraph?

MR. CARLISLE: Third paragraph. Well, the paragraph starts with "Providing an adequate response," but -

CHAIR WEISSER: Okay, the last sentence in that paragraph, I see.

MR. CARLISLE: Right, next to the last, anyway. And that's been edited just a little bit to put it into the future as opposed to arguing with what decision was made 12 years ago back in 1994. So we've just stated essentially that it needs to be reevaluated. Other than that, that portion of the report stays intact.

CHAIR WEISSER: Could you hold on?

MR. CARLISLE: Yes.

CHAIR WEISSER: I think I want to talk about this specific subject and ask Jude for any thoughts she might have in regard to the wording.

MEMBER LAMARE: Well, Mr. Chairman, I had quite a bit more language I would have added here acknowledging that we have been unable to substantiate that the 36 percent level of direction has added appreciably to the air quality performance of the Smog Check Program. And also that our study suggests that dealers have poorer performance in Smog Check when compared with other types of Smog Check stations, but I'm satisfied with Rocky's rewrite if other people are. I think we've had quite a lot of discussion about the direction of vehicles to test-only and what has been most striking is that we're not finding a pattern of evidence that supports an air quality benefit to the higher level of direction. We did have some letters and maybe we need to take public testimony on this, because we did have some

1 letters from folks finding disagreement with this section of 2 the report. 3 CHAIR WEISSER: Yes, I'm sure we'll get -4 MEMBER LAMARE: So, I'll leave it at that. 5 CHAIR WEISSER: Okay. And we will, of course, take public 6 testimony to both the rewrite and any overall comments that 7 people have to offer in that regard. Dennis? 8 MEMBER DECOTA: I'm trying not to get too passionate about this 9 issue. I have a tendency to like the language as it's 10 written there, Rocky, but you say originally directed 36 11 I believe we originally directed 15 percent. 12 MR. CARLISLE: That's correct. It was the study done by ERG in 13 '94 that suggested we needed 36 percent to attain the air 14 quality goals, not the statute. 44015 of the Health and 15 Safety Code mandates that 15 percent be directed to test-16 only as a starter. 17 MEMBER DECOTA: So it is an accurate statement. 18 MR. CARLISLE: Yes. 19 CHAIR WEISSER: What is an accurate statement? The word 20 "original" or the -21 MEMBER DECOTA: The word "original." 22 MR. CARLISLE: The original 36 percent as stated in the ERG 23 report. 24 MEMBER DECOTA: Qualified by the 12-year explanation, he's

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correct.

CHAIR WEISSER: Okay.

MEMBER LAMARE: I think we could be happy taking out the word

3 original."

CHAIR WEISSER: Yes, I would just make it clearer by just saying

the decision on 36 percent. Roger?

MEMBER NICKEY: I just have a problem with the wording of "revisited" and "questionable" regarding the 36 percent.

Sierra Research, as far as I know, is researching this subject and hasn't come up with a conclusion yet. How can we draw a conclusion that the methodology is questionable or needs to be revisited without the completion of the report?

I just don't understand how that can be supported. Why are we using that kind of wording and jumping to conclusion more

or less without the completion of the report?

Over the years, we've received a lot of analysis from external stakeholders and experts, as well as Members of this Committee, in particular, Jeffrey Williams. I think it's the information that we've received from both the outside and, in particular, Dr. Williams that has driven us to say that this practice embodied in both statute and the policies of the agency deserves to be reopened and re-looked at. It's not conclusionary, it's saying that there seems to be some questions here that need to be further explored.

And I think that's the intent of this recommendation.

- MEMBER NICKEY: Well, it's just that the wording sometimes has a tendency to be looked at and then taken as fact, whether it was meant to be that at all.

 CHAIR WEISSER: Well, let's look at the specific wording that
 - MEMBER KRACOV: Where's the word questionable? Is that in there right now?
- 8 | MEMBER NICKEY: It's in the summary.

Rocky's come up with.

9 MEMBER KRACOV: The summary?

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- 10 | MEMBER NICKEY: It's on Page 1-2. Down at the bottom it says,
- 11 | The original decision to direct 36 percent of the vehicle
- 12 | fleet to test-only is questionable. Fundamental rationale
- on the basis of the percentage of vehicles directed to test-
- only require reevaluation." Based on what?
- 15 | CHAIR WEISSER: Repeat again where it is?
- 16 | MEMBER NICKEY: That's on -
- 17 | CHAIR WEISSER: On 1-2?
- 18 | MEMBER NICKEY: Yes, I believe that's the executive summary.
- 19 MR. CARLISLE: Mr. Chairman, that needs to be edited to coincide
- 20 with Part Two.
- 21 | CHAIR WEISSER: Yes, I think Roger is exactly right.
- 22 MR. CARLISLE: Yes, I agree.
- 23 | CHAIR WEISSER: That needs to be changed to be consistent with
- 24 | the wording on Page 2-13.
- 25 | MEMBER NICKEY: Because as soon as we say "questionable," then

everybody thinks the whole darn program is questionable and it doesn't have any validity.

CHAIR WEISSER: I agree with your statement.

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MEMBER NICKEY: So words sometimes creep in.

CHAIR WEISSER: We need to be very careful and I'm glad you

caught that. Thank you. Jude?

MEMBER LAMARE: Jude Lamare. I just want to return to my statement earlier that I think that Dr. Williams' research in a number of different studies, all of which are on our website and have been presented over the last two years, have demonstrated in a variety of ways that we are unable to detect any air quality benefit from the level of direction to test-only that we are currently seeing. So in test after test, we are unable, when controlling for age of vehicle, model, make, controlling for the place of the test, show that there is a difference between test-only failure rate and test-and-repair failure rate except in the case of dealers who are showing a higher pass rate given the same vehicle parameters as compared to test-only and test-and-So I am satisfied that Dr. Williams' research repair. clearly demonstrates that there is no appreciable difference when you're controlling for vehicle age, make, model, and other variables in the failure rate, so if there's no difference, then where is the air quality benefit from directing 36 percent of the vehicles to test-only compared

to directing 15 percent, the worst 15 percent, to test-only? As I recall, the purpose of direction was to get vehicles that are likely to fail going to test-only. There are some nuances here that have been pointed out to us that some vehicles that are likely to fail just don't show up at all. Understood. But just sending more vehicles to test-only when they're not likely to fail doesn't improve the air quality benefit as far as I can tell. And we've been over this for two years, so I'm very, very comfortable saying - I would have been comfortable with stronger language, which I've read to you and I'm willing to bypass, but I don't think it would be fair to say that this Committee has not found any reason to question or ask for reevaluation of the 36 percent.

CHAIR WEISSER: Roger?

MEMBER NICKEY: Well, we just want to remember that the 36

percent really turns out to be 26 percent because that's all

that shows up. But the real issue with clean air, I think
CHAIR WEISSER: I just want to encourage us not to get involved

once again in the 36 versus 50 versus 26. We've done that.

MEMBER NICKEY: Sorry. Then the percentages I would like to

point out are the 20 percent of the vehicles that pass the initial smog inspection or fail in the same test the following day and the 40 percent of the vehicles that were repaired and fail the test the following day, I believe

those have more impact on air quality than anything else, whether it's referred vehicles or tested vehicles or fail rate or what have you. It's the fact that we test these vehicles, they fail the next day, we fix them, they fail the next day. I think that's a huge issue.

CHAIR WEISSER: My sense - and I'm sorry, I missed your last comment, so I'm going to take a deep breath.

MEMBER LAMARE: Roger, that's a very good point. I think, though, we need to be clear that the roadside test that Mr. Heirig was describing to us last time wasn't the next day. It was over a six-month period. Cars that failed or cars that passed re-failed or failed within six months of Smog Check, which is enough for us to be very, very concerned, but it isn't the next day. So -

MEMBER NICKEY: But that's what Sierra Research concluded.

MEMBER LAMARE: No, they concluded that within six months.

CHAIR WEISSER: Excuse me, James. Do you have something directly on-point or is this responding to the willful destruction of State property by one of our audience members?

MR. GOLDSTENE: I'm glad the CHP is here. I just wanted to make a few points for consideration. One is, I want to bring to the Committee's attention that the chart that Rocky displayed earlier was showing cars from the 1976 to '95 age group. I just want to make sure that we're aware of that.

CHAIR WEISSER: We understand that.

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MR. GOLDSTENE: I also want to reiterate the fact that Sierra is looking at this. They're even looking at the work that Rocky and Dr. Williams did with regard to the D-Sample, but we're trying to get a broader look at this and to also ask ourselves why has there been a convergence on these lines. Could it be the three-fold growth in the number of test-only stations and not enough enforcement mechanisms in place? Are there other issues that we should be using the data from Sierra, what they found, that could be playing into this? In other words, looking at the data is a little bit of tunnel vision only so far and we have looked at the broader or asked the broader questions and I would just suggest, maybe not for this report, but to at least let the Committee know that we're going to be asking some of those broader questions to make sure we're capturing why this is going on.

CHAIR WEISSER: So this is somewhat indicative of BAR and ARB both saying that we need to kind of look at this further to understand what's going on -

MR. GOLDSTENE: Absolutely.

CHAIR WEISSER: - and understand if the past rationale for the direction of vehicles still makes sense in our mind.

MR. GOLDSTENE: Absolutely.

|| CHAIR WEISSER: Thank you.

MR. GOLDSTENE: But we want to make sure that we frame the

questions properly.

CHAIR WEISSER: And you can see how important that is just in this discussion.

MR. GOLDSTENE: Absolutely.

CHAIR WEISSER: Okay. So I guess, now I'm just going to speak as what I am, which is a layman, which is saying, there's enough going around and we've heard enough going around that a more formal, intense analysis of what's occurring needs to be undertaken because the existing rationale does not necessarily look like it fits anymore. We need to find out what's going on. Any other comments from Committee Members on this item? Yes, Jeffrey?

MEMBER WILLIAMS: I just want us to be clear that some of this discussion is that the executive summary didn't change the words that's now in the report and that if it is made with removing the word "original," I don't think any of us can disagree with the remaining statement, except perhaps say that this decision will be revisited because it is being revisited.

CHAIR WEISSER: My belief is keep the "should be."

MEMBER WILLIAMS: The "should be."

CHAIR WEISSER: And we're going to get that first part, the first section, lined up with the second section.

24 | MR. CARLISLE: Yes, sir.

MEMBER WILLIAMS: And I don't see how anybody can argue with the

remaining sentence, then.

CHAIR WEISSER: I have a hard time understanding that, too, but

I'm sure I'll be educated as to why that shouldn't be by

some folks. Any other comments? Rocky, do you have any

comments on this discussion at all?

MR. CARLISLE: No, I think the edits make sense.

CHAIR WEISSER: Thank you. Let's take comments from the public.

We'll go from the front to the back. Mr. Peters?

MR. PETERS: Charlie Peters, Clean Air Performance Professionals here today representing motorists. This has certainly been a subject of much discussion over time and I salute Ms.

Lamare for her saying that this maybe looks like these two things might be equal, but my own personal view based upon what I've seen over time is that test-and-repair is more than twice as effective as test-only based on data supported by EPA as being the most accurate, the most effective in the country, based upon a Mr. Dennis DeCota letter written some time back, it's not current information, but every bit of data that I've seen that actually apples and apples, oranges and oranges, has demonstrated to me from my perspective that test-and-repair is twice as effective as test-only to start with. And it is of my - go ahead, sir.

CHAIR WEISSER: What do you mean by effective, Charlie?

MR. PETERS: As an example, sir, earlier on when the Federal EPA contracted with Colorado to determine tamper rates,

California had less than half of the tamper rate roadside random that Arizona did on test day in test bay. More than twice as much tampered there as here, and the rating at that time were rating their program twice as effective as ours. Another example was we had a contractor that evaluating California Smog Check Program for the IM Review Committee that looked at failure rate for cars that had failed the test in a previous cycle and been repaired and passed and got an off-cycle test and the Arizona vehicles were failing twice as often as the California cars at that time -

CHAIR WEISSER: So by effectiveness, you mean failure rate.

Could you suspend the light for moment, Janet? You're making reference to failure rates as your yardstick for effectiveness; is that right? Yes or no?

MR. PETERS: No.

CHAIR WEISSER: Okay. Please proceed. Back to the light.

MR. PETERS: So based upon various data from various locations over time, my own personal perception is different than what the position that the State has taken on this issue. It doesn't mean I'm wrong, but it means that I certainly have a different opinion and would happy to demonstrate that and discuss that with anybody who would be interested, because I think that's important to the people in California. So I appreciate the fact that you allow me to get up and make this comment and respond to what you're considering here

because I think it's very important and I thank you for allowing me to talk.

CHAIR WEISSER: Thank you, Mr. Peters. Other comment? Mr.

Ward?

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Mr. Chairman and Members. Randall Ward, California Emissions Testing Industries Association. I quess the point I'd like to make is along the lines of a point that I've made in the past is that the inferential treatment of an issue as sensitive economically and to the health-based side of this program needs to be dealt with in a very sensitive manner. And I think Dr. Williams - I ask him during his presentations - would agree that his work certainly isn't conclusive. It was raising the issue for purposes of discussion. I look at Sample-D and I think - and this is no criticism to Dr. Williams. In fact, I certainly laud his efforts as the Committee does. I think he's approached it with intellectual integrity. However, statistically, if you look at Sample-D, the sample size of the Gold Shields that were tested there are very, very small and I think Dr. Williams would attest to that relative to the number of test-only stations. But aside from that, I've got a bad spleen here and you may be removing the kidney and not focusing on the spleen. My concern is - we've looked at we were talking about whether the efficacy of the 36 percent, the efficacy of the emissions reductions associated

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with test-only and there's another side to the equation. You've had one side presented to you. You haven't had the other side, so to raise the issue in a major way without having the other side, I think, is intellectually dishonest. And the point I would make in that regard is you have Gold Shield stations, not one Gold Shield station is subject to a retest evaluation by the BAR. In other words, those cars, if they're repaired by Gold Shield, use State money, not one of those cars is subject to a referee retest. We have no idea on the Sierra Research study how many of those were Gold-Shield-repaired vehicles using State money. that's pretty important. Now I do know from numbers that I ran using the BAR data that almost ten percent of the time a car that went to Gold Shield after failing at test-only and was repaired at Gold Shield decided to get a free retest, not spend money at the Gold Shield station for the retest, go back to their test-only, and almost ten percent of the time they failed the test. Now, I'm just saying this is scratching the surface. I raised it as an issue that I thought was relatively important to looking at the broader context of this program. It may be that test-only is the bar and is keeping the bar that high. The Gold Shields stations, by contract, have to maintain a failure rate that meets the average obligation to the failure rate of the test-onlys in their area. So I think the point I'm trying

to make here is there is a whole other side to this equation on the repair-based side and I would say within the context of your recommendation, that it shouldn't just be the 36 percent relative to what test-only is producing in terms of failures, it ought to be there's a whole bunch of things that we need to be asking relative to that 36 percent.

CHAIR WEISSER: Thank you, Mr. Ward.

MR. WARD: Thank you.

CHAIR WEISSER: Mr. Rice?

MR. RICE: Bud Rice, Quality Tune-Up Shops. Just as a quick point of clarification for me, if I could. I did send in a letter and we did have discussion on that and my understanding was that changes were made to the document - CHAIR WEISSER: We're going to be going through the full document today, but do you have a specific question on that and your document related to this item of the report?

MR. RICE: Well, it's more of a question - I guess the answer is yes.

CHAIR WEISSER: Okay.

MR. RICE: When I look at this today and I see the draft changes and they could be in the summary statement, I've got to be honest with you. I'm having a hard time figuring out where the pieces go together.

CHAIR WEISSER: Yes.

MR. RICE: And I guess what I'm asking is, isn't it more user

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friendly if you were to put the proposed changes -

CHAIR WEISSER: Kind of cross-out and underline.

MR. RICE: Exactly, yes, that would be helpful.

CHAIR WEISSER: I would urge the staff and for the Committee in the future to insist upon that approach in drafts so we can track things. I think that's an outstanding suggestion. fact, I think we need to string up our Executive Officer for his failure to do that. And we'll do that at lunch in six minutes.

MR. CARLISLE: Okay.

CHAIR WEISSER: There will be a public trial beforehand.

Roger?

MEMBER NICKEY: Since we have six minutes, I just want to

clarify a term. Can I do that?

CHAIR WEISSER: You betcha.

MEMBER NICKEY: Okay. I want to clarify the term "tamper,"

because that's gotten thrown around a certain amount here in the last few minutes. I don't know if anybody in here is familiar with a warm air heat tube. Okay, we've got an aluminum foil tube that goes from the intake down to the exhaust manifold, which supplies warm air to the car during warm-up. My guy raises the hood, he looks there, it's gone. At that point, he has to determine whether the customer took it off and threw it away, whether it fell off or whether it was never there in the first place. If he enters a fail,

then the machine will record a fail and then there's nothing missing, modified or disconnected, so that one's actually eligible for CAP. But, if he looks at it and says, well, it's missing, the machine will record that as a tamper. If he records it as disconnected, that's recorded as a tamper. Same condition, it just depends on how it's entered into the machine whether it becomes a tamper or a fail. A tamper will disqualify you for CAP and will be recorded as a tamper. If it's just a straight fail, the customer is still eligible for CAP. So some of this stuff we have to go a couple of levels down to see how it was recorded because just because it's gone doesn't mean the customer tampered with it. It might have just fell off, it might have been left off, we don't know.

CHAIR WEISSER: That was very clear, Roger. Good example.

MEMBER NICKEY: I hope it was clear because I'm confused now.

CHAIR WEISSER: T here's one other point I'd like to raise and maybe folks have some comments. It relates to the comment you made, Jude, regarding auto dealers having - from the data that we've seen, particularly from Jeffrey's comments - a lower fail rate. I'm just wondering again, I think I've raised this before, how many of those cars get tested after they've gone through their maintenance cycles and that may attribute a lower fail rate. I'll just put it out there.

Jeffrey, did you have something to say on point? I notice

we have another member of the public that has something to offer perhaps in reparations for his destruction willfully of State property. Jeffrey?

MEMBER WILLIAMS: I just wanted to observe on this issue of comparing who's doing the test in the context of the 36 percent. We're all trying to draw inferences about something, let's say it had been 34 percent or 38 percent, it's this middle range of vehicles that we haven't even identified who would have been in the 30th percentile or the $40^{\rm th}$ percentile and we're drawing inferences on those who are in the first percentile to inform our judgment. actually a very hard analytical problem for us all and it comes down to we don't really know who's in which of those categories because we don't have the information about the ranking by HEP and that would be particularly useful to study, who would have been in a different group on a HEP ranking and how do they behave. And if that's what we can study under the phrase "revisited," I think that would be a very useful way to agree not argue about this until we know some more facts.

CHAIR WEISSER: Thank you. Mr. Walker?

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MR. WALKER: Chris Walker on behalf of the California Automotive

Business Coalition. With regards to the Executive Summary

and the paragraph, the adjustments that the Committee was

recommending to make to the third paragraph on Page 1-2, the

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second to last sentence, what I heard was some objection to the word "questionable." I didn't hear what was going to be replaced in that sentence. To me, with the work that you've done, years of work, the data that's out there, it seems reasonable to use a word like "questionable." I don't know how you will set up the last sentence which says "The fundamental rationale and bases for the percentage of vehicles directed to test-only requires a reevaluation" if in fact you don't say there are some questions there. you don't say our data shows inconsistencies. behalf of the men and women that have invested in their time, their capital, train their employees to participate in this program and have seen their testing volume depart from their stations over the years, it is very important that I think we honor the work that has been done and make sure that the language is as strong as possible.

CHAIR WEISSER: Thank you very much, counselor. Just to clarify, the wording as I understand it will be changed to what will be the exact wording on Page 2-13; is that correct, Rocky?

MR. CARLISLE: That's correct.

CHAIR WEISSER: Thank you. Thank you for your advice.

 \parallel MR. WALKER: Page 2-13 in -

CHAIR WEISSER: "It is our opinion that the decision to direct 36 percent of the vehicle fleet to test-only should be

revisited."

MR. WALKER: Okay, okay. And again, we support this recommendation. Of course, we would like to see this even more strongly worded and I understand the opposing side representing the current benefactors of the policy wanting to delay any additional change as far as possible, continuing to study this, and study it, and study it.

Again, we encourage the Committee to honor the research that has been done and to start making decisions. Thank you.

CHAIR WEISSER: Thank you, Mr. Walker. Okay. It is 11:30 now and what we're going to - I've gotten advice from the longest standing Committee Member - is call this portion of the meeting to a conclusion. We'll go into recess until 1:00. Thank you.

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CHAIR WEISSER: Okay, just for the record, we should reconvene the session. This is the afternoon session of the November 28th meeting and I would just say that Rocky Carlisle just passed out to the Committee the correct, revised section dealing with organization placement of the Smog Check Program and neither I, nor anyone else on the Committee, has had a chance to review it insofar as I'm aware. So we'll take a few minutes to review this before we start. Thank you.

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CHAIR WEISSER: Okay, Members have you finished an opportunity to review this? Very good. Then I wonder if we should not turn directly to this item, Rocky, as in our further review of the report. Have you submitted or given copies of this to the members of the public?

MR. CARLISLE: Yes, they also one. And I want to apologize to the Committee for that oversight. That was something I missed late last night.

MEISSER: We had a brief discussion of this at our last meeting and I have a vague recollection of Eldon being interested in seeing this recommendation remain in the report, whereas others were suggesting that perhaps this recommendation should drop out of the report. Perhaps we can get a discussion going among Committee Members. The recommendation has been changed rather substantially so that it now, as I read it, would suggest that ARB assume the role of adopting rules and regulations associated with the Smog Check Program that would continue to be implemented by BAR. Is that an accurate summary?

MR. CARLISLE: That's correct, yes.

CHAIR WEISSER: So I would be interested very much in hearing other Committee Member's reactions to this revised element of the report prior to sharing my biases. Please, Gideon?

MR. KRACOV: I'm supportive of the recommendation and I think at

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the very least this is a discussion that is important. think the duality of the program in the past certainly has caused some concern and I think it's a discussion that should remain on the table, whether it's a discussion whose time has come and gone, given what happened to the bill, I don't know. But I still think it's a discussion worth I know that we are not tying these conclusions to any particular management or individuals at BAR, although I do think that there seems to be sort of a fresh breeze blowing through. On the first page here, the fourth paragraph, the last sentence starts "Currently, the speed with which any Smog Check Program changes are implemented by BAR are extremely slow," etcetera, etcetera. Maybe it would be a little bit more accurate to say "In the past, the speed with which these changes have been implemented is extremely slow." I think that would perhaps give some room and defer to the current management. And we'll see if these past trends hold true currently. Other than that, I support the recommendation.

CHAIR WEISSER: Then you would - I assume you would suggest that you would, to make the sentence congruent, you'd say "In the past, the speed of which Smog Check Program changes are implement by BAR has been extremely slow and has placed less weight," you'd put everything kind of in the past-perfect tense, right?

MEMBER KRACOV: Yes, yes.

CHAIR WEISSER: Okay. But you believe that this, at least at this point before hearing other Committee Member's and the public's reactions, you sound generally supportive of keeping this in; is that correct, Gideon?

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CHAIR WEISSER: Okay. Any other comments? Jude?

Thank you, Mr. Chairman. Thinking back to the MEMBER LAMARE: last meeting, I think in fact our memories about it are a little bit different. At the last meeting, I thought what we were considering was taking this issue out of the report entirely and, in fact, a number of Members of the Committee said, no, we aren't comfortable with that because we think there really is an issue here, which I think Gideon has put a good label to it, the duality of the program, and I agree with what Gideon has said that keeping this in as an issue, I think this is the simplest way we could present the issue. The rewrite is much more to the point and it's streamlined and it simply recommends that there by legislation to establish regulatory authority over the Bureau of Automotive Repair and Smog Check Program at the Air Resources Board. So it does achieve what I was trying to achieve, which is a greater presence of the Air Resources Board in the direction - the Board itself, not just the staff level, but the Board itself in the direction of the Smog Check Program.

like to congratulate Eldon on getting the concept and putting the draft together and really simplifying this whole thing for us. We needed to do something different and I think this does it.

CHAIR WEISSER: Thank you. Dennis?

MEMBER DECOTA: I have concerns with not leaving it in the report. I think that needs to be discussed. I don't have a problem in that, but the solution is simply just moving it to CARB versus maybe other solutions or at least options that haven't been fully looked into would be premature for this Committee to make, I think something that could be misconstrued in writing as a position of recommendation.

This is not - I don't think - a position of recommendation at this point in time.

CHAIR WEISSER: It certainly reads as a recommendation.

MEMBER DECOTA: I have trouble with it that way.

CHAIR WEISSER: How would you suggest the Committee handle it?

MEMBER DECOTA: As basically stating problems that we see within

the system and readdressing that to the agencies for clarification so that this doesn't continue, that there be confusion between implementation of programs and better tracking. I don't know if we necessarily want to say it's finite that it needs to go to CARB is what I'm saying, Vic. I don't know exactly how to frame my mindset right now without sitting down and writing it out a little bit, but

what I'm trying to is I get a little bit nervous in saying that something is a total resolve to a question and a recommendation on our opinion when I don't think it is the consensus of, at least this Committee Member, that necessarily is are we jumping from frying pan into the fire so to speak without looking at other alternatives. Is EPA an alternative to move this -

CHAIR WEISSER: CARB is, of course, part of EPA.

MEMBER DECOTA: I understand that.

CHAIR WEISSER: Okay, thank you. Jeffrey? No, okay. Eldon?

MEMBER HEASTON: I just wanted to clarify why we took this

position. Just as you recall, there was a number of - I was in favor of getting rid of it.

CHAIR WEISSER: Oh.

MEMBER HEASTON: And I still could be persuaded that way today.

|| CHAIR WEISSER: Good.

MEMBER HEASTON: So there's no problem with that. This was provided as a compromise to allow some jurisdictional authority for CARB so that when they could just go ahead and adopt by policy the emissions reductions that can be had through the program and then leave it so that the Bureau of Automotive Repair would then have to institute those changes to make that happen, whether it's like an evap test or even these cut-points. If they're adopting regulations for new vehicles, emissions standards, why can't they adopt a

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to try and do.

CHAIR WEISSER:

I think that's what this sort of delivers.

standard that says this is what's going to come out of the

something along that line. That was what I was attempting

tailpipe when we test these older vehicles.

MEMBER HEASTON: And so if the Committee still feels that they

want to have like that, then this is what I can kind of get my hands around and agree with. Otherwise, I could still

vote to get rid of the whole thing.

10 CHAIR WEISSER: Thank you.

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MEMBER HEASTON: And then we'll take another run at it next

time.

13 CHAIR WEISSER: John?

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MEMBER HISSERICH: The budgetary aspects of this, this leaves in

place essentially the current budgetary arrangement whereby

the revenue from the program would continue to go to BAR.

MR. CARLISLE: We stayed silent on that intentionally.

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MEMBER HISSERICH: Yes, because that obviously becomes - from an

administrative point of view one of the battling points.

20 MR. CARLISLE:

Right.

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MEMBER HISSERICH: So functionally, this would be - we would

envision this as being - playing out. In other words, the

ARB would design the policies and somehow convey them then

to BAR and BAR would be mandated to carry them out under

their current structure. So what would change would be just

the authority for designing the standards that are being implemented; is that essentially what we're -

MR. CARLISLE: Well, the whole regulatory process.

MEMBER HISSERICH: It would all go through the BAR side.

5 | MR. CARLISLE: ARB, yes.

MEMBER HISSERICH: And then BAR would have more or less, from that point of view, the kind of advisory role that ARB now has when BAR carries it out.

MR. CARLISLE: Correct.

MEMBER HISSERICH: It would just reverse that role and from a policy point of view, BAR would become the advisory agency, then the functional agency to carry it out.

MR. CARLISLE: Correct.

| MEMBER HISSERICH: It gets a little complicated that way.

MR. CARLISLE: It's very complicated. But it was the compromise in the two strategies.

CHAIR WEISSER: Jude?

MEMBER LAMARE: Thank you, Mr. Chairman. I think you can envision here, though, that ARB being the policy arm and reviewing regulation in terms of the overall policy of the Smog Check Program could indeed adopt a regulation that would assign to BAR the role of carrying forward, implementing regulations under its own regulatory authority. So I don't think this means or should be interpreted to mean that every regulation affecting the Smog Check Program would

have to be adopted by the ARB. That's not what I would want to see happen. And maybe if Members are okay with this general concept, but nervous about the extent of ARB's regulatory umbrella here, that we stick in language that reserves to the Bureau the regulatory authority to manage the operation of the program, within the policy envelope that ARB sets forward. I can go any way on this that the other Members of the Committee are willing to go, but it seems like we have spent a lot of time trying to summarize and capsulate and make movement forward on a difficult program organization within State government and that to just drop it is a little bit uncomfortable, too.

CHAIR WEISSER: Gideon?

MEMBER KRACOV: Maybe just getting a sense of where the

Committee is on it. If folks aren't totally comfortable

with something that can be interpreted as a firm

recommendation, Dennis, the paragraph one there can be

watered down a little bit and I do think that it's important

that we give the signal to the legislature that this is an

issue worth discussion, worth investigation, and our

recommendation is that these things should be on the table.

So if we want to go in that direction, we can perhaps water

down, number one, so that it's less of a firm

recommendation, but instead a recommendation that things be

considered or that these be on the table. Maybe that would

be more where the Committee is on it.

CHAIR WEISSER: Chair?

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MEMBER DECOTA: Dennis DeCota. My response to that is I could agree with that. My problem is simply that to throw the industry a huge curve and how it would interpret things at this point in the game could be very detrimental to the whole Smog Check Program and clarity needs to be there. And that's all that I'm really concerned with. The industry has to be able to perform. It doesn't need another layer of ambiguity.

Dennis, the Chair requests you pass the CHAIR WEISSER: chocolates over to him. I'm going to try to be as straight on this as I can because it is complex and convoluted. first got into this issue because of what we saw as an under-performing Smog Check Program and, quite frankly, at the policy level, an under-performing BAR. They were not doing those things that would get more cost-effective tons out of this program in an effective, efficient or timely fashion. We believe that that was caused by the fact that the ARB is charged with the responsibility of attaining clean air goals, both state and federal clean air goals, and BAR is principally charged as part of the Department of Consumer Affairs with making sure the program is run efficiently and effectively and equitably from the consumer. And we felt that difference in goals contributed to a

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difference in focus, that the organizational placement itself was the structural reason for what we consider to be disappointing results. We went out of our way to indicate that this was not caused by any one particular manager or series of managers, that it was structurally generated. I felt it was very important for us to emphasize that. not sure I was right. I'm not sure that under different program leadership you would not see this program energized and moved in the sort of direction that we all hoped that it would be moving. And it would be my recommendation for this Committee to remove this recommendation completely from the report at this time and to see how the performance of BAR changes over the next year in readiness for its next report. And at the next report, you'll have an opportunity to reassess whether or not you want to make this recommendation or another type of recommendation along these lines. this recommendation to you, Members of the Committee, because I also believe that we have not had adequate time to look at, as Dennis characterizes, a variety of options that might be considered new options, including the one that we've just seen starting 20 minutes ago, and that I'm hesitant to try to develop the nuances and wording at this 11th hour. I think we would be served better and the State of California would be served better were we to see how the wind blows under the new leadership, to see whether there is a higher degree of cooperation, collaboration, and action on the part of BAR and ARB and this Committee. That would be my recommendation to you. Eldon?

MEMBER HEASTON: Mr. Chair, then I move that we remove the organizational placement of the Smog Check Program item out of the report in its entirety.

MEMBER DECOTA: I second it.

CHAIR WEISSER: That was Mr. DeCota seconding and we're going to open it up for discussion and then, before we vote, I want to hear from the public. Please?

MEMBER NICKEY: As the person who seconded the original motion to do this and served on the subcommittee with you, I would concur. I think the fact that we're trying to wordsmith this now to choose some middle path is indicative of the difficultly of trying to do this in a way that is sufficiently nuanced and conveys our concern and yet doesn't undercut the value of the rest of the report because, as much as I think we say we weren't influenced by who the players were, there was a background of our concern about the way it seemed to be going at that particular time. So I think I would agree with the Chairperson that it would not be the best possible time to do this. We'll see if the air blows cleaner in the subsequent year, and, if so, revisit this because we're going to continue to try to produce these reports timely and have them taken seriously by all

concerned. So I would agree with the Chairperson and with the current motion on the floor.

CHAIR WEISSER: Thank you. Bruce?

MEMBER HISSERICH: My one factor that really concerns me and it really doesn't matter the Smog Check Program is placed, is clean air and I think that as long as we keep that as our focus and BAR keeps it as their focus, then we'll leave it as it is. We can revisit it, but ultimately, that has got to be the focus of us all.

CHAIR WEISSER: Thank you. Jeffrey?

MEMBER WILLIAMS: I wanted to at least make a try at some specific wording before we say that we should wait until next year and propose if the difficulty is in the word "regulatory" procedures that recommendation one might be that the legislature establish broad policy authority, which is back to our original idea, and that number two, and with BAR's own regulatory apparatus would be instrumental to make it clear that the actual implementation of the program would be done by BAR, but the issue of say where the cut-points are and how stringent, that's a policy issue about clean air, which is ARB's -

CHAIR WEISSER: Could you repeat your specific words, please?

MEMBER WILLIAMS: I'm specifically proposing to change in number one, the legislature establish broad policy authority and in number two, end by saying BAR's own regulatory apparatus

1 would be instrumental to make clear that -CHAIR WEISSER: Where would this be? 2 3 MEMBER WILLIAMS: On recommendation number two. 4 CHAIR WEISSER: And where would you put that? 5 MEMBER WILLIAMS: At the very end of that. It's missing a 6 period as it is, but I'm going to -7 CHAIR WEISSER: It sure is. So a new sentence or what? 8 MEMBER WILLIAMS: A new sentence. 9 CHAIR WEISSER: And BAR's -10 MEMBER WILLIAMS: Own regulatory apparatus would be 11 instrumental. 12 CHAIR WEISSER: Instrumental to what? 13 MEMBER WILLIAMS: To any of the regulations developed and so on, 14 which is the thought of that paragraph so that ARB is not 15 setting the licensing requirements and other things. 16 CHAIR WEISSER: Got it. Okay. Any further discussion before we 17 invite public comment? Gideon? 18 MEMBER KRACOV: Yes, this is Gideon. The way that I see it is 19 you've got the motion that's on the table and then there's 20 the other notion that Jeffrey - not motion, but the other 21 notion, that Jeffrey just discussed and maybe what you could 22 also do, just to give two options for the Committee - and it 23 seems to be the intent of the Committee - in recommendation 24 one it says the "legislature." Maybe you could put there

"the legislature consider whether to." Again, you're not

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giving a -

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2 CHAIR WEISSER: I'm going to now - for the first time in four 3 years and six months, pull this out and indicate we have on 4 the floor a duly-made motion which has been seconded and 5 we're opening it up for conversation on the motion that was 6 And according to this book, what you could do is 7 recommend a substitute motion, but I'm going to advise the 8 Committee that we not do that, that we - at this point in 9 time, I think we have the sense of where you're going, 10 Jeffrey, and what you are suggesting if we were to go that 11 track, but at this point in time, I think I want to close 12 off the Committee's discussion on the original motion that 13 was made and then get some public comment, then return back 14 to the Committee and see what the Committee thinks about the 15 original motion, if that's okay with the Committee Members. 16 Eldon, did you have a comment on that? Okay, so let me 17 invite public comment on this, hopefully understandable 18 discussion. I hope we haven't made it convoluted. 19 MR. RICE: Bud Rice, Quality Tune-Up Shops. My comment in 20 specific relation to the motion is that my feeling has been 21 that the BAR has been kind of a sanity check also in terms 22 of the Smog Check Program. A lot of the issues that we seem 23 to find ourselves in were driven originally from ARB and EPA 24 and this pendulum that we've been talking about today in terms of - well, specifically, the 30 percent rate, before 25

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MR. PETERS:

on the program and this pendulum has swung one way and now just in listening to the Committee, it seems as though the pendulum is starting to swing the other way a little bit and the force of the pendulum swing in the beginning was ARB, EPA and those guys. So the BAR has been kind of a sanity check in the middle of this thing in my eyes. And as this pendulum begins to swing back, maybe again there'll be some sanity placed into it again. Even in terms of where we're trying to run to, it almost seems as though, from the Committee's perspective, we've had problems with the BAR so we'll run to CARB. Well, even in terms of the problems we've had with getting some clarification on HEP and all those kinds of things, is that where we want to run to anyway, because running from this problem, now we're going to run over here and have these problems. And, again, from my perspective, BAR's been that kind of sanity check for the industry. So I would be in favor of you pulling this at this time. Thank you.

that there was a 50 percent discount factor that was placed

CHAIR WEISSER: I'm not going to make any comments on the slow pitch you just served up to me, Bud, associated with the sanity levels at different State agencies, only to comment that I'm just glad that we have terrific staff at both, sane Mr. Peters? or not.

Mr. Chairman and Committee, my name is Charlie

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Peters, Clean Air Performance Professionals, representing motorists. It seems to me like a significant part of this discussion is being just left laying on the table and everybody's trying to ignore it hard, but I think it needs to be brought up and that this came out of the Clean Air Act amendments of 1990 and we made a lot of decisions that California pushed and ended up being overturned by Congress. The game that we're playing has been laid out by the California legislature and this certainly looks like a power play to confiscate that by somebody, probably some business interest, somebody trying to make some money, I would And I don't think that it's an appropriate idea imagine. for this Committee to set the rules and regulations as to how this State operates. That's the job of the legislature, in my opinion. So currently the Governor is in charge of the whole thing so he can do whatever he damn well pleases, other than the fact that the legislature is sitting there and can call that into question. And that's what you're dealing with, the legislature's ability to participate and you're taking it away from them and giving it to CARB and I think if anybody is to make that decision in my humble opinion, that ought to be the legislature in agreement with the Governor and I think you're out to lunch, period.

CHAIR WEISSER: Thank you, Mr. Peters. Any further public comments? Mr. Ward?

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MR. WARD: Thank you, Mr. Chairman and Members. Randall Ward, California Emissions Testing Industries Association. hadn't previously weighed in on any of the discussion relative to this issue, but I do sense that there is a clear issue that was debated having watched the Committee and certainly your initial motivation and I think, Chairman Weisser, even as much as there may have been some issues of personality, etcetera, that may have added to the motivation at the time, I think you've been in those situations many times and have been able to rise above that and be very objective within the context of your public policy recommendations. And I ultimately think that's what resulted here. There was substantial discussion on this Committee, there was a recognition that there was a huge rub between the health-based air quality issue and the consumerbased side of the equation and that there ought to be maybe something significantly less than the Lieber bill, which transferred authority, but I thought Mr. Heaston's compromised language, which clearly put issues specific to air quality, where the Air Board has the burden of achieving that bank and the comments that Mr. Kracov made, maybe it isn't a recommendation, maybe it's just an enunciation of the issue and that it ultimately results in a concern that in the context of the comments you made that will be watched over the next couple of years before the next report is

done, but I think this Committee spent substantial time discussing the issue, they know the problems, and to not have anything now in the report that at least enunciates that this is an issue, I think is unfair to the Committee, the Members that put the work in on it. And I frankly believe that you should put at least some discussion of this item and that if there is a sense that the policy issues are not being orchestrated by the agency that's ultimately responsible for the policy objectives of air quality. And it should be in response to Mr. DeCota. This shouldn't be an industry issue and layers of bureaucracy are cumbersome regulations. It ought to be health-based. Thank you.

CHAIR WEISSER: Thank you. Any further public comment? I'd like to hear if either agency has anything to say on this issue. I'm not surprised. Just for the record, both agency representatives have indicated a desire not to enter into anything on the record in regard to this item. Okay, ladies and gentlemen, we've had considerable public input, we've had considerable discussion. There's a motion that we've entertained that was presented and has been seconded to remove this section from the report at this point in time to see what happens over the next months as they unfold and for further consideration of this recommendation next year in the report to see whether or not the Committee is interested in addressing the recommendation at that point in time.

Without arguing one way or another, I'm just going to call for a vote. Those people who would support removing this discussion item from the report, please signify by raising your hand. So that's one, two, three, four, five. Those that would not want to see this recommendation removed from the report, please signify by raising their hand. One, two, three. The count, as I read it, Rocky, is five to three to remove this recommendation and -

MEMBER LAMARE: There's an abstention.

CHAIR WEISSER: With one abstention. Okay, are there any abstentions? Did you abstain? So we have six to three to

MEMBER LAMARE: Then I'll change my vote.

MEMBER NICKEY: Maybe we better start over.

CHAIR WEISSER: Okay, let's start over. Who made that

suggestion? Okay, the vote is -

MR. CARLISLE: Mr. Chairman, if I may?

|| CHAIR WEISSER: Yes.

remove.

19 | MR. CARLISLE: We only have eight Members present.

CHAIR WEISSER: That's great. It would be nice if the Executive

Officer could count. One, two, three, four, five, six,

seven, eight, nine.

MR. CARLISLE: Okay, well, I didn't - Gideon was behind the

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CHAIR WEISSER: Okay, thank you. So this one will be eliminated

from the report. Rocky, could you give us a suggestion as to the other areas of change that you think would be worthwhile for us to talk about prior to voting on the report as a whole, inviting public input on the rest of the report and then voting on the report as a whole?

MR. CARLISLE: There were no other significant changes to the report. Those -

CHAIR WEISSER: Thank you, Rocky. Are there any other elements of the report that any Committee Member would like to bring up at this point in time? Hearing none, I would like to invite comment on the report from members of the public.

Are there any comments on the report beyond that which we have spoken? Mr. Peters?

MR. PETERS: Mr. Chairman and Committee, Charlie Peters, Clean

Air Performance Professionals representing motorists. Thank

you for your action.

CHAIR WEISSER: Thank you. Then now we will bring forward - are there any other public comments? We will now bring forward to the Committee a request for someone to make a motion for the adoption of the report as amended? Will someone make that motion? It is made by Mr. Williams. It is seconded by Jude Lamare. And now we'll open up for discussion. Motion has been made to adopt the report as modified. Any discussion on the part of Members of the Committee? Seeing none, is there any discussion on the part of members in the

audience?

MR. GOLDSTENE: James Goldstene, Air Resources Board. Just one clarification on the last action removing the discussion. think I heard you say, and I just want to know, is there going to be any reference to this at all in the report -

CHAIR WEISSER: No.

MR. GOLDSTENE: - in terms of revisiting? I think you had said something about revisiting.

CHAIR WEISSER: No.

MR. GOLDSTENE: Okay.

CHAIR WEISSER: That's just a policy at this point in time. The Committee can carry that forward without having it being mentioned in the report.

MR. GOLDSTENE: That's all I wanted to know. Thank you.

CHAIR WEISSER: It will also be taken out of the introduction.

We will harmonize the report. Any other public comments? Seeing none, I will ask Committee Members by voice vote to indicate if they support the - if you support the adoption of the report and the direction to the Executive Officer to rewrite the sections that need to be harmonized, send it to the Vice Chair for a final review, and then get the report out by the end of the year. All those in favor, signify by saying aye.

24 | ALL MEMBERS: Aye.

CHAIR WEISSER: Are there any opposed? Are there any

abstentions? Hearing none, the report is adopted as proposed. Thank you.

MR. CARLISLE: Thank you, Mr. Chairman and Members of the Committee.

CHAIR WEISSER: And I want to thank Rocky and Steve and each and every Member of the Committee for working on this report in such a way as to get it out on time. There is nothing that would have made me feel, frankly, worse than in my last year on the Committee not getting the report out on time. This Committee went for many years without ever getting this report out and I'm real proud that it's gotten this report each year that we've been required to. So I'm very, very pleased with that. And I'm pleased with the nature of the recommendations that are in here. I think they've been well-served.

CHAIR WEISSER: Is there any other business that any Committee Member would like to bring up?

MEMBER HEASTON: Is this the time for future agenda items, or are we there yet?

CHAIR WEISSER: Beats me. Yes, we're moving to No. 10, the IMRC Subcommittees.

MEMBER HEASTON: Right, okay, so we'll wait then.

CHAIR WEISSER: So we'll move to that right now. Rocky, do you want to introduce this item to us?

MR. CARLISLE: The IMRC Subcommittees, they require a lot more

work before I present them to the Committee. We are expound on each of those topics and consolidate and then prioritize those topics before we present them to the Committee.

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CHAIR WEISSER: Okay. We'll do - I think before we do public comments, I want to do No. 12, which is the Future Agenda

Items because I think the public might have some comments on that. How would you introduce this item, Rocky?

MR. CARLISLE: Essentially, that was there as kind of a catchall because oftentimes in the Committee, there were issues that came up that we really couldn't discuss but we wanted them put on the calendar in the future.

CHAIR WEISSER: Are there such items? John?

MEMBER HISSERICH: I was interested in hearing something more about BAR's enforcement activities and how they carry those out. Steve's report alluded to the issues and I don't know much about it. Maybe somebody from BAR could come and explain that to us as to how they're carried out and what criteria they use - without revealing State secrets, but tell us how they go about doing what they do to enforce their rules.

MR. CARLISLE: I think it would be best if I spoke to BAR on this so they could give us a presentation and so they have an opportunity to prepare rather putting poor Allan on the spot.

MEMBER HISSERICH: No, that's right. However you want to do it.

I'd just like to get that out so we can hear about it.

CHAIR WEISSER: Yes, at some future meeting.

MEMBER HISSERICH: Yes.

CHAIR WEISSER: And I - if I were still here, I would really like that presentation to kind of deal directly with some of the issues that Steve raised. And I don't want it being presented - I wouldn't want it being presented to BAR like have you stopped beating your wife kind of thing. Steve is basically saying, BAR, you've got this enforcement program that's at least 20 percent filled with crooks and you're not doing anything about it. Or what you're doing isn't solving

MEMBER HISSERICH: Well, that wasn't the way I said it.

the problem, what do you have to say about that?

CHAIR WEISSER: I think that there's a platter here, there's an issue here, that if we do this right, if you do this right, you could have a really meaningful discussion on this alignment of motivation of the stakeholders, of the public, of the dealers, of the regulators, because I really do think at some level there is a misalignment - well, I know there is a misalignment and I don't think it's a simple issue. I think it's a very complicated issue and I can guarantee you that solving it is not simple because if it was, we got bright people in this program left and right that would have come up with - Steve has come forward with raising an issue.

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First, we need to find out if his thinking is correct or is it too simple, is there something wrong. I tend to think it's half-correct and half-incorrect. But it certainly serves us well to look at the issue. I think it raises a gigantic issue and I do think there's this misalignment of economic interest with program goals and I do think there are ways to realign some of those. I'm not sure if the tools that Steve has suggested are sufficient, nor do I think the bounty program is necessarily the way to go based upon what we've heard in previous experiences in that But there are things that people of goodwill can explore on this, so Allan, good luck. Are there other future agenda items? Roger?

There's been some discussion here about MEMBER NICKEY: radically changing the testing procedure in the future centered pretty much around eliminating tailpipe testing and that kind of thing and the reasoning given was that the equipment can't keep up with the new technology and I would be interested in hearing from the equipment people what's on the horizon for third or fourth generation and ESP would be a good one to do that. They have some good people, I think that they must have something on the boards. Like what are we going to do in the future for testing or are we just going to rollover and say to heck with it, we won't do it anymore or where are we going with that?

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CHAIR WEISSER: Okay. Any other Committee Members? I'd like to ask the public if there are any comments on this item or anything else they'd like to, at this point in time before we adjourn the meeting, raise. We'll start with Mr. Rice and end with Mr. Peters.

MR. RICE: Bud Rice, Quality Tune-Up Shops. I just wanted to take 30 seconds, if I could, and thank first off the full Committee for all the work that you guys have done, both in terms of the report that just got finalized and for all the work that you've put in for the whole year, and then, specifically, to you, Chair, for your hard work. And even though I've disagreed with you, it's been with respect.

CHAIR WEISSER: Thank you very much. That respect is shared,

Bud. Thank you. And on behalf of the Committee, thank you

for the strokes in terms of the work that they put in. It

far exceeded the pay that they received. Mr. Peters?

MR. PETERS: Yes, hello, Mr. Chairman and Committee. My name is Charlie Peters, Clean Air Performance Professionals. I have spent a little time trying to pay a little attention to this Committee and its previous derivations since, as a matter of fact, I was just looking at home, there's a picture of me in 1988, the first Smog Check Review Committee meeting that I went to. I'd say that the State of California is very fortunate to have had a person of your stature, Mr.

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Chairman, and this Committee. It's pretty amazing if you really step back and take a look at the kind of expertise and horsepower that's been laid down here over the last since 2002 with this Chairman and with this Committee and just to be allowed to be in this room and put some input in is a huge honor and privilege and I thank you for allowing me to do that. There's been comments here today about how, what tomorrow may look like, and I can at least tell you, Mr. Chairman, that at least from my perspective, you're always welcome here if I'm here and I'll fight anybody that will say otherwise and this should be an open process and your expertise and your background certainly makes you qualified to be a participant and I think you're always welcome here, at least from my perspective, and I thank you all for your hard work and wish you all a Merry Christmas. Thank you.

CHAIR WEISSER: Thank you, Mr. Peters. And on behalf of the

Committee, I want to wish you and everyone here a Happy

Holiday Season. I will say in my closing remarks before I

adjourn this meeting that four and a half years ago when I

was appointed to the Committee, I came with some misgivings

because of the perceptions that were shared to me by others

of the Committee, of its ability to produce reports that

were actually listened to or read, even if they were

disagreed with. The Committee had not been able to do its

work, to get its recommendations out, to have the sort of meaning discussions, meaning exchange of views that I think we are created to have. And it has been an honor working with the existing Membership and those Members that have come and left during my brief tenure. And it's been a pleasure most of the time working with the folks from the agencies and the public. There is not a - I don't think we've run across a single person whose goals are antithetical to the public interest. Everybody here is coming with their set of ambitions in terms of what they think this program should look like to serve its main And, yes, we all come with some level of selfinterest, but by and large, I've been really impressed with the ability of the public and the agencies, most importantly the Members of this Committee to put self-interest aside to try to look at the big picture in what will make this I am proud to have served as the Chair of program work. this Committee for four and a half years and I will tell you these flowers will fade long before my memories of this Committee will fade and I'm glad of the plaque, I'm glad of the bear, the Oakland A's bear, but I'm mostly proud of this baseball with the signatures of my Committee Members on it. So from the bottom of my heart and the top of my head, I want to thank each and every one of you. It's been a ball, it's been great. Thank you very much.

MEMBER DECOTA: Thank you for your leadership. CHAIR WEISSER: And with that, I will entertain a motion for the meeting to be adjourned, Eldon seconds. And with that, this meeting is adjourned. Thank you. - MEETING ADJOURNED -

TRANSCRIBER'S CERTIFICATION

This is to certify that I, TERRI O'BRIEN, transcribed the tape-recorded public meeting of the Bureau of Automotive Repair dated November 28, 2006; that the pages numbered 1 through 100 constitute said transcript; that the same is a complete and accurate transcription of the aforesaid to the best of my ability.

Dated December 13, 2006.

Terri O'Brien, Transcriber Foothill Transcription